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## ***To Our Shareholders***

We would like to express our appreciation for your continued support and patronage.

As the impact of COVID-19 diminishes, we are seeing a trend of recovery in economic activities, such as consumption and capital investment, and we are also seeing some changes in the financial and capital markets as the Bank of Japan announced in March 2024 that it will end the negative interest rate policy and abolish the yield curve control.

The Group's business environment is changing at a faster pace than ever before because of the changes to our lifestyles from the spread of familiar digital devices and the impact of interest rate policy. However, we believe these changes are going to lead us to accelerate our business.

In an ever-changing environment of rapid technological advancements and social problems expanding and becoming more serious, we aim to be a "tech company" that exceeds finance by repeatedly "creating" and "reforming" to build innovation using the latest technology and boldly working to develop and provide platform services ahead of our generation.

As a result, we achieved steady business results in the fiscal year ended March 31, 2024, with profit of 24.8 billion yen (up 24.6% year on year)<sup>\*1</sup>, ROE<sup>\*2</sup> of 17.5% (14.3% for the fiscal year ended March 31, 2023), and 2.31 times of PBR<sup>\*3</sup> (1.39 times for the fiscal year ended March 31, 2023).

The Company considers customer satisfaction to be one of the most important management indicators for achieving sustainable growth. In addition to improving product characteristics, we pursue usability when customers use our services, and constantly do research and make improvements so that customers can use our services with excellent UI and UX. As a result, we have continued to get ranked No. 1 for numerous customer satisfaction ratings<sup>\*4</sup> according to surveys conducted by external research institutions.

For the mortgage business, which is one of our main businesses, we were ranked No. 1<sup>\*5</sup> among banks in Japan in new mortgage loans, as we are receiving support from many of our customers. In addition to developing and providing products that meet the diverse needs of our customers, we have built our own agency model and set up the "mortgage loan help desk" across the country, where customers can ask for help face-to-face, and we are planning to open such desks to more branches in the future. We have realized a complete digital transformation of mortgage loan procedures, including AI screening and the provision of "Easy Mortgage Loan," our BtoBtoC platform, and we are currently strengthening our initiatives on reducing the time and effort involved in procedures for customers and real estate businesses.

Furthermore, the number of partnership companies for "NEOBANK®"<sup>\*6</sup>, our BaaS (Banking as a Service) business, is steadily increasing. We have partnerships with 16 companies<sup>\*7</sup>, mainly the major enterprises in various industries, and more than 20 companies, including those with partnership agreements. The account fees, which generate income, are significantly increasing as the number of opportunities to provide our financial services to partnership companies has expanded. With NEOBANK, we will contribute to enhancing the unique services of our partners, strengthening

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customer contacts, and improving the customer experience. Furthermore, for THEMIX, which is our non-financial business, the Group is working to solve various social problems, including climate changes, by promoting the financial data platform business with THEMIX Data, which optimizes marketing, and by promoting the forestry DX and carbon credit business through the use of the latest technology with THEMIX Green, which works to solve problems in the primary industries.

To continue to be the bank of choice for our stakeholders, we will actively contribute to society under our corporate slogan, "With technology, in the spirit of integrity we will create a society where affluence circulates." and achieve sustainable growth as a tech company that is more than a bank.

We appreciate your continued guidance and encouragement.

May 2024

Noriaki Maruyama  
President & CEO  
SBI Sumishin Net Bank, Ltd.

\*1: Profit is profit attributable to owners of parent.

\*2: ROE = Profit attributable to shareholders ÷ Capital adequacy (average at the beginning and end of the fiscal year); Capital adequacy = Net assets - Non-controlling interests

\*3: Share price as of March 31, 2024

\*4: Ranked No. 1 in customer satisfaction by multiple evaluation institutions. Ranked No. 1 overall in the Oricon Customer Satisfaction Survey of Internet Banking Services in 2023 by oricon ME inc. Ranked No. 1 in the JCSI for the banking industry by Japan Productivity Center's Service Productivity & Innovation for Growth in 2023.

Ranked No. 1 in the NTT Com Online NPS Benchmark Survey 2023 for the banking industry by NTTCom Online Marketing Solutions Corporation.

\*5: Based on research from SBI Sumishin Net Bank (as of March 31, 2023): Disclosed materials from the Company and domestic banks, including Resona Holdings, Sumitomo Mitsui Financial Group, Sumitomo Mitsui Trust Holdings, and Mizuho Financial Group.

\*6: NEOBANK® is a registered trademark of SBI Sumishin Net Bank: Trademark Registration No. 5953666.

\*7: As of March 31, 2024

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***To Shareholders with Voting Rights:***

Securities code: 7163

May 30, 2024

(Date of Commencement of electronic provision of measures: May 23, 2024)

Noriaki Maruyama

President & CEO

SBI Sumishin Net Bank, Ltd.

2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF  
THE 17TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby inform you that the 17th Ordinary General Meeting of Shareholders (the "Shareholders' Meeting") of SBI Sumishin Net Bank, Ltd. (the "Company") will be held as described below.

For this Shareholders' Meeting, we electronically provide documents, including the Reference Documents, etc., and post them on the websites below. You are kindly requested to access any of the websites and see the documents.

**[Our Company's website]**

<https://www.netbk.co.jp/contents/company/en/ir/stock/meeting/>

**[Tokyo Stock Exchange's website (Listed Company Search)]**

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please access the Tokyo Stock Exchange's website above, enter and search for "SBI Sumishin Net Bank" in the "Issue name (company name)" field or "7163," the securities code of the Company, in the "Code" field, select "Basic information" and "Documents for public inspection/PR information," in that order, and see the information posted in "[Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting]" under "Filed information available for public inspection.")

In lieu of attending Shareholders' Meeting in person, you may exercise your voting rights via the Internet or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5 p.m. on Monday, June 17, 2024, Japan time.

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1. Date and Time: Tuesday, June 18, 2024 from 10:00 a.m., Japan time  
(Reception begins from 9:30 a.m.)
  2. Place: Rooms H and I of BELLESALLE Roppongi Grand Conference Center  
9th Floor, Sumitomo Fudosan Roppongi Grand Tower  
2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan
  3. Shareholders' Meeting Agenda:  
[Matters to be reported]
    1. The Business Report and Consolidated Financial Statements for the Company's 17th Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company's 17th Fiscal Year (April 1, 2023 - March 31, 2024)[Proposals to be resolved]
    - Proposal 1: Appropriation of Surplus
    - Proposal 2: Election of Ten (10) Directors
    - Proposal 3: Election of One (1) Auditor
- When attending the Shareholders' Meeting in person, please submit the Voting Rights Exercise Form at the reception desk.
  - Should the documents electronically provided require revisions, a statement to that effect and the matters before and after the revisions will be posted on the respective websites on the Internet.

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### Guidance on Exercising Voting Rights

There are three ways to exercise your voting rights as described below.

Attend to Shareholders' Meeting	Exercise Your Voting Rights in Writing (by Mail)	Exercise Your Voting Rights via the Internet
Please submit the enclosed Voting Rights Exercise Form at the reception desk.	Please indicate your votes for or against each of the proposals on the enclosed Voting Rights Exercise Form and send it back by mail.	Please indicate your votes for or against each of the proposals in accordance with the instructions on the next page.
Date and time: Tuesday, June 18, 2024 from 10 a.m., Japan time (Reception begins from 9:30 a.m.)	Deadline for Exercise: The Voting Rights Exercise Form must be received no later than Monday, June 17, 2024 at 5 p.m., Japan time.	Deadline for Exercise: Your voting rights must be exercised no later than Monday, June 17, 2024 at 5 p.m., Japan time.

(Notes)

1. If you exercise your voting rights in writing (by post) and you do not indicate whether you vote for or against a proposal on the Voting Rights Exercise Form, it shall be treated as a vote for the proposal.
2. If you exercise your voting rights multiple times via the Internet, the last vote you exercised shall be deemed and treated as the valid one.
3. If you exercise your voting rights via the Internet and in writing (by mail), the voting rights exercised via the Internet shall be deemed and treated as the valid one, regardless of the date and time your vote arrives.
4. You can exercise your voting rights by proxy. In that case, you may designate another shareholder with voting rights as your proxy, and the proxy may attend the Shareholders' Meeting. Please note that a document certifying the proxy's authority must be submitted.
5. If you wish to make a diverse exercise of your voting rights, please notify the Company in writing or by electronic means of your intention of making a diverse exercise of your voting rights and the reasons thereof by three days prior to Shareholders' Meeting.

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## **Guidance on Exercise of Voting Rights via the Internet and Information on Acceptance of Advance Questions and Virtual General Meeting of Shareholders**

By using your smartphone or other devices to scan the QR Code on the Voting Rights Exercise Form, you would easily be able to access the Portal of Shareholders' Meeting.

**Entry of your ID and password is not required.**

\*QR code is a registered trademark of DENSO WAVE INCORPORATED.

### **The Portal of Shareholders' Meeting**

#### **Exercises of voting rights via "Smart Voting"**

**Deadline for exercising voting rights: No later than Monday, June 17, 2024 at 5 p.m., Japan time**

**You may only exercise your voting rights once via "Smart Voting."**

If you wish to change your vote after exercising your voting rights, please access the website for PCs, enter the "voting code" and "password" indicated on the Voting Rights Exercise Form to log-in to the website, and exercise your voting rights again.

\*By scanning the QR Code again, you will be able to access the website for PCs.

#### **Advance questions**

**Period of accepting advance questions: From May 30, 2024 at 9:00 a.m. to June 11, 2024 at 10:00 p.m., Japan time**

\*We plan to answer questions received on the day of the Meeting or post the answers on our corporate website after the Shareholders' Meeting. Please note that similar questions will be answered together, and we will not be able to answer all questions.

#### **Virtual General Meeting of Shareholders**

**Date and time of live streaming: Tuesday, June 18, 2024, from 10:00 a.m. to the end of the "briefing on current management information" below**

(The streaming website is scheduled to open around 9:50 a.m. on the same day.)

**URL: <https://v.srdb.jp/7163/2024soukai/>**

**Please enter the following ID and password.**

**ID: SSNBsoukai**

**Password: 20240618**

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\*Shareholders will not be able to exercise their voting rights through live streaming. If you are going to watch the live stream, please exercise your voting rights in writing or by electronic means (via the Internet) **no later than 5 p.m. on Monday, June 17, 2024, Japan time.**

\*Please note that you may not be able to watch the live stream or have problems with the video or audio depending on the device you are using or the Internet communication environment.

\*If live streaming is canceled for some reason, we will make an announcement on our corporate website.

**Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agent Web Support Center**

Tel: **0120-652-031** (toll-free in Japan) (9:00 a.m. to 9:00 p.m.)

- **You will be able to access the “Portal of Shareholders’ Meeting” from your PC or other devices.**

Please access the portal from the following by entering your login ID and password indicated on the Voting Rights Exercise Form.

**The Portal of Shareholders’ Meeting**

<https://www.soukai-portal.net> (in Japanese)

You can also continue to use the Voting Website.

<https://www.web54.net> (in Japanese)

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### Regarding a “Briefing on Current Management Information”

After the end of the Shareholders’ Meeting, we will hold a briefing on current management information at the same venue.

The briefing on current management information will be held by President & CEO Noriaki Maruyama to explain the SBI Sumishin Net Bank Group (the “Group”)’s business, recent business conditions, and future prospects.

Please attend the briefing session after the Shareholders’ Meeting.

(Notes)

- The briefing on current management information will be live streamed online following the Shareholders’ Meeting. The streaming website is the same as the Virtual General Meeting of Shareholders above.
- As we do for the Shareholders’ Meeting, we will accept questions for the briefing session in advance. Please note that similar questions will be answered together, and we may not be able to answer all questions.



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## Reference Documents for the Shareholders' Meeting

### • **Proposal 1: Appropriation of Surplus**

The Company recognizes that increasing corporate value and returning profits to shareholders is one of its most important management issues. The Company's policy is to distribute dividends by taking into consideration stable shareholder returns in the light of a balance between profit and capital while maintaining financial discipline.

Based on this policy, the Company proposes the year-end dividend for the 17th Fiscal Year as follows.

#### 1. Matters concerning the year-end dividend

##### (1) Type of dividend property

Cash

##### (2) Allotment of dividend property to shareholders and its total amount

9 yen per share of common stock of the Company

Total amount: 1,357,129,449 yen

(Note) Combined with the interim dividend per share, annual dividends will total 16.50 yen per share.

##### (3) Date on which dividends from surplus shall be effective

June 19, 2024

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• **Proposal 2: Election of Ten (10) Directors**

As the terms of office of all ten Directors will expire at the conclusion of this Shareholders' Meeting, the Company proposes electing ten Directors. The proposal was referred to the Nomination and Compensation Committee, a committee chaired by an Independent Outside Director where Independent Outside Directors form a majority of the members. Having received a report from the committee, the Board of Directors decided to submit the proposal to the Shareholders' Meeting.

The candidates for Director are as follows.

No.	Name	Gender	New candidate/ Reappointment	Current position and responsibility at the Company	Tenure as Director
1	Yasunaga Matsumoto	Male	New candidate	Corporate Advisor	-
2	Noriaki Maruyama	Male	Reappointment	Representative Director, President & CEO	10 years and 2 months
3	Tomokazu Yokoi	Male	Reappointment	Director, Deputy President, Executive Officer and General Manager of Corporate Division	14 years and 11 months
4	Ryota Okazawa	Male	New candidate	Managing Executive Officer	-
5	Manatomo Yoneyama	Male	Reappointment	Outside Director	3 years and 2 months
6	Noriyoshi Kimura	Male	New candidate	Managing Executive Officer, General Manager of Systems Division	-
7	Yukihito Machida	Male	Reappointment	Outside Director (Independent Officer)	3 years and 5 months
8	Hitoshi Hatta	Male	Reappointment	Outside Director (Independent Officer)	3 years and 5 months
9	Tomohisa Takeda	Male	Reappointment	Outside Director (Independent Officer)	3 years and 5 months
10	Tamotsu Moriyama	Male	Reappointment	Outside Director (Independent Officer)	3 years and 5 months

\* The tenure as Director represents the number of years each Director will have been in office at the conclusion of this Shareholders' Meeting.

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(Candidates' Career Summaries)

**Candidate No.1**

**New candidate**

<b>Yasunaga Matsumoto</b>		[Male]
(May 18, 1965)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1989	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	Apr. 2015	General Manager of Corporate Business Department VI, Sumitomo Mitsui Trust Bank, Limited
	Oct. 2017	General Manager of Corporate Planning Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2018	Executive Officer and General Manager of Corporate Business Department II, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2019	Managing Executive Officer, General Manager of Finance Product Solution Department and General Manager of Structured Finance Department, Sumitomo Mitsui Trust Bank, Limited
	Oct. 2019	Managing Executive Officer and General Manager of Finance Product Solution Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2020	Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2024	Corporate Advisor, the Company (to present)
Tenure as Director	-	

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Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0
Attendance at meetings of the Board of Directors	-
Reasons for nomination	Mr. Yasunaga Matsumoto has been involved in banking business practice for 35 years since he joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited), and has experience and knowledge of management as a Managing Executive Officer of the company. The Company believes that he is well qualified to be Director as he has knowledge of the banking business and sufficient experience as a management executive, which are necessary for the Company's management.

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## Candidate No.2

## Reappointment

<b>Noriaki Maruyama</b>		[Male]
(May 12, 1965)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1989	Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)
	Feb. 2000	Joined E-Loan, Inc. (currently SBI Holdings, Inc.)
	Apr. 2001	Director, GOODLOAN Co., Ltd. (currently SBI ARUHI Corporation)
	Mar. 2005	Representative Director and COO, Good Mortgage Corporation (currently SBI ARUHI Corporation)
	Jun. 2006	Director, SBI Holdings, Inc.
	Jun. 2007	Director and Executive Officer, SBI Holdings, Inc.
	Apr. 2012	Representative Director, President, CEO and COO, SBI Mortgage Co., Ltd. (currently SBI ARUHI Corporation)
	Jun. 2013	Director & Managing Executive Officer, SBI Holdings, Inc.
	Mar. 2014	Chairman of the Board, Representative Director, and CEO, SBI Mortgage Co., Ltd. (currently SBI ARUHI Corporation)
	Apr. 2014	President & CEO, the Company (to present)
	Dec. 2022	Director, THEMIX Data, Inc. (to present)
	Dec. 2023	Director, THEMIX Green, Inc. (to present)
	Dec. 2023	Outside Director, Mapry Corporation (to present)
		(Significant concurrent positions)
		Director, THEMIX Data, Inc.
	Director, THEMIX Green, Inc.	
	Outside Director, Mapry Corporation	

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Tenure as Director	10 years and 2 months (at the conclusion of the Meeting)
Number of shares of the Company held	Common shares currently held: 36,697 Common shares potentially held: 0
Attendance at meetings of the Board of Directors	18/18 meetings (100%)
Reasons for nomination	Mr. Noriaki Maruyama worked at The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.) for 11 years. He subsequently participated in the launch of Japan's first loan comparison website and contributed to its listing as a director of the parent company. After creating the mortgage bank market in Japan by launching Japan's first mortgage bank in 2001, he contributed to the bank's listing on the Tokyo Stock Exchange as President. He has been serving as President & CEO of the Company since 2014. The Company believes that he is well qualified to be Director as he has knowledge of the banking business and sufficient experience as a management executive.

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### Candidate No.3

### Reappointment

<b>Tomokazu Yokoi</b>		[Male]
(November 27, 1967)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1990	Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)
	May 2005	Joined Good Mortgage Corporation (currently SBI ARUHI Corporation)
	Jun. 2007	Director, SBI Mortgage Co., Ltd. (currently SBI ARUHI Corporation)
	Jun. 2009	Joined SBI Holdings, Inc.
	Jun. 2009	Seconded to the Company
	Jun. 2009	Director and Executive Officer, the Company
	Jan. 2021	Director and Managing Executive Officer, General Manager of Corporate Division, the Company
	Mar. 2024	Director, Dayta Consulting Co., Ltd. (to present)
	Apr. 2024	Director, Deputy President, Executive Officer and General Manager of Corporate Division, the Company (to present)
	(Significant concurrent positions)	
	Director, Dayta Consulting Co., Ltd.	
Tenure as Director	14 years and 11 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 2,691 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	18/18 meetings (100%)	

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Reasons for nomination	Mr. Tomokazu Yokoi worked at The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.) for 15 years and gained experience in mortgage banking. He subsequently has been serving as Director of the Company since 2009. The Company believes that he is well qualified to be Director as he has sufficient experience and knowledge necessary for the management of the Company.
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#### Candidate No.4

**New candidate**

<b>Ryota Okazawa</b>		[Male]
(March 16, 1978)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 2000	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	Jan. 2022	Senior Manager, Corporate Administration Department, Sumitomo Mitsui Trust Holdings, Inc.
	Oct. 2023	Seconded to the Company
	Nov. 2023	Executive Officer, the Company
	Apr. 2024	Managing Executive Officer, the Company (to present)
Tenure as Director	-	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	-	
Reasons for nomination	Mr. Ryota Okazawa joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) and had been involved in banking business practice, including risk management, credit screening, and corporate sales, before joining the Company in November 2023. Since then, he has been participating in the Company as an officer in charge of risk management. He has long-term experience of working at banks from 2000 to the present. The Company believes that he is well qualified to be Director as he has sufficient experience and knowledge of the banking business, which are necessary for the Company's management.	

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**Candidate No.5**

**Reappointment  
Outside Director**

<b>Manatomo Yoneyama</b>		[Male]
(January 25, 1968)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1991	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	Jan. 2016	General Manager of Finance Product Solution Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2017	General Manager of Business Process Planning Department, Sumitomo Mitsui Trust Holdings, Inc.
	Apr. 2017	General Manager of Business Process Management Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2019	Executive Officer and General Manager of Corporate Planning Department, Sumitomo Mitsui Trust Holdings, Inc.
	Apr. 2019	Executive Officer and General Manager of Corporate Planning Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2021	Managing Executive Officer, Sumitomo Mitsui Trust Holdings, Inc.
	Apr. 2021	Director and Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited (to present) Outside Director, the Company (to present)

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	Jun. 2023	Director, Japan Securities Depository Center, Incorporated (to present)
	Jun. 2023	Director, Sumitomo Mitsui Trust (Ireland) Limited (to present)
	Apr. 2024	Managing Executive Officer, Executive Officer and CISO, Sumitomo Mitsui Trust Holdings, Inc. (to present)
	(Significant concurrent positions)	
	Managing Executive Officer, Executive Officer and CISO, Sumitomo Mitsui Trust Holdings, Inc.	
	Director and Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited	
	Director, Sumitomo Mitsui Trust (Ireland) Limited	
	Director, Japan Securities Depository Center, Incorporated	
Tenure as Director	3 years and 2 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	18/18 meetings (100%)	
Reasons for nomination and outline of expected roles	<p>Mr. Manatomo Yoneyama has held key positions in various fields such as overseas posts, system development, and corporate planning after joining The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) in 1991. He has been serving as Director and Managing Executive Officer of Sumitomo Mitsui Trust Bank, Limited since 2021 and as Managing Executive Officer, Executive Officer and CISO of Sumitomo Mitsui Trust Holdings, Inc. since 2024. The Company expects him to provide advice and supervision for the Company's management based on his extensive experience and achievements in the banking business, and therefore proposes reappointing him Outside Director.</p>	

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**Candidate No.6**

**New candidate**

<b>Noriyoshi Kimura</b>		[Male]
(January 26, 1969)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1992	Joined Information Services International-Dentsu, Ltd. (currently DENTSU SOKEN INC.)
	Nov. 1998	Joined E*TRADE SECURITIES Co., Ltd. (currently SBI Holdings, Inc.)
	Jun. 2003	General Manager of Systems Development Department, SOFTBANK INVESTMENT CORPORATION (currently SBI Holdings, Inc.)
	Apr. 2006	Seconded to Sumishin SBI Net Bank Research Company, Ltd. (currently the Company) as Director
	Sep. 2007	Managing Director, the Company
	May 2009	Director and Managing Executive Officer, the Company
	Jun. 2009	Managing Executive Officer, the Company
	Jun. 2009	Director, SBI Holdings, Inc.
	Jun. 2010	Executive Officer and CTO, the Company
	Jun. 2015	Director, Executive Officer and CTO, the Company
	May 2020	Director, Executive Officer and General Manager of Systems Division, the Company
	Jan. 2021	Managing Executive Officer and General Manager of Systems Division, the Company
	Apr. 2021	Representative Director and Chairman, NetMove Corporation
	Jun. 2022	Managing Executive Officer and General Manager of Operations and Systems Division, the Company
	Aug. 2022	Executive Chairman, NetMove Corporation (to present)
Nov. 2023	Technical Advisor, Regional Bank Value Enhancement Office, SBI Holdings, Inc. (to present)	
Apr. 2024	Managing Executive Officer and General Manager of Systems Division, the Company (to present)	

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	(Significant concurrent positions)
	Technical Advisor, Regional Bank Value Enhancement Office, SBI Holdings, Inc.
Tenure as Director	–
Number of shares of the Company held	Common shares currently held: 6,116 Common shares potentially held: 0
Attendance at meetings of the Board of Directors	–
Reasons for nomination	Mr. Noriyoshi Kimura participated in the Company in 2006 after obtaining knowledge in the field of systems development at multiple companies. Since participating in the Company, he has played a lively part as an officer in charge of systems development and operations departments, directing and overseeing the development of the Company's mission-critical systems for many years. Based on the above background, the Company believes that he is well qualified to be Director as he has sufficient experience and knowledge necessary for the management of the Company.

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**Candidate No.7**

**Reappointment  
Independent Outside Director**

<b>Yukihito Machida</b>		[Male]
(August 29, 1971)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Mar. 1998	Completed judicial apprentice training (50th term)
	Apr. 1998	Registered as attorney-at-law (Tokyo Bar Association)
	Apr. 1998	Joined Tokyo City Law & Tax Partners (currently City-Yuwa Partners)
	Apr. 1999	Joined Nishimura & Asahi
	Sep. 2003	Studied at University of Southern California Gould School of Law (LL.M.)
	Sep. 2004	Seconded to LeBoeuf, Lamb, Greene & MacRae, L.L.P.
	Aug. 2005	Registered as attorney-at-law in New York State
	Oct. 2005	Seconded to Corporate Accounting and Disclosure Division, Planning and Coordination Bureau, Financial Services Agency
	Jan. 2020	Joined Atsumi & Sakai (to present)
	Jan. 2021	Outside Director, the Company (to present)
	(Significant concurrent positions)	
	Attorney-at-law, Atsumi & Sakai	
Tenure as Director	3 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	18/18 meetings (100%)	
Reasons for nomination and outline of expected roles	Mr. Yukihito Machida is an attorney-at-law specializing in financial laws (registered in Japan and New York) and has experience of being seconded to the Financial Services	

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Agency. The Company has determined that he is a suitable person to appropriately provide supervision and advice focusing on corporate legal affairs and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his extensive insight and abundant experience as a legal expert, and therefore proposes reappointing him Outside Director.

Although he has no experience of being involved in company management other than as an outside officer, the Company believes that he will be able to appropriately perform his duties as Outside Director for the above reasons.

He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."

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**Candidate No.8**

**Reappointment  
Independent Outside Director**

<b>Hitoshi Hatta</b>		[Male]
(March 21, 1955)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1980	Joined the Ministry of Finance
	Jul. 2008	Director General of Fukuoka Local Finance Branch Bureau
	Jul. 2009	Director, Workers' Life Department, Labour Standards Bureau, Ministry of Health, Labour and Welfare
	Jul. 2011	Director, Treasury Department, Deposit Insurance Corporation of Japan
	Jul. 2013	Director-General, Yokohama Customs
	Oct. 2014	Secretary-General, The Financial Futures Association of Japan
	May 2016	Corporate Advisor, LIFENET INSURANCE COMPANY
	Jun. 2016	Executive Managing Director and Executive Officer, LIFENET INSURANCE COMPANY
	Oct. 2016	Executive Managing Director, Executive Officer, CCO and CISO, LIFENET INSURANCE COMPANY
	Jan. 2021	Outside Director, the Company (to present)
Tenure as Director	3 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	18/18 meetings (100%)	
Reasons for nomination and outline of expected roles	Mr. Hitoshi Hatta has abundant experience and knowledge related to government financial administration, including experience at the Financial Services Agency, as well as other experience such as a compliance officer at LIFENET INSURANCE COMPANY. The Company has determined that	



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he is a suitable person to appropriately provide supervision and advice on compliance and risk management, and overall business execution based on his experience in government financial administration and financial business management, and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his abundant experience in government administration and experience as a director of a listed company, and therefore proposes reappointing him Outside Director.

He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."

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**Candidate No.9**

**Reappointment  
Independent Outside Director**

<b>Tomohisa Takeda</b>		[Male]
(November 8, 1957)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1981	Joined the Bank of Japan
	Apr. 2003	Branch Manager of Takamatsu Branch, the Bank of Japan
	Apr. 2005	Associate Director-General, Secretariat of the Policy Board, the Bank of Japan
	Apr. 2006	Director-General for Management Strategy, Budget and Accounting, Secretariat of the Policy Board, the Bank of Japan
	Jul. 2010	Director-General, Information System Services Department, the Bank of Japan
	Apr. 2013	Executive Director, the Bank of Japan
	Nov. 2018	Registered as attorney-at-law (joined Dai-Ichi Tokyo Bar Association) Established Tomohisa Takeda Law Office, Director (to present)
	Jan. 2021	Outside Director, the Company (to present)
		(Significant concurrent positions)
	Attorney-at-law, Tomohisa Takeda Law Office	
Tenure as Director	3 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	18/18 meetings (100%)	
Reasons for nomination and outline of expected roles	After joining the Bank of Japan, Mr. Tomohisa Takeda served as Director-General for Management Strategy, Budget and Accounting of the Secretariat of the Policy Board, Director-General of the Information System	

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Services Department, and Executive Director at the Bank of Japan. He is also a qualified attorney-at-law. As he has abundant experience, knowledge, etc. in system development and operation, formulation of management plans, budgeting, settlement of accounts and internal control such as human resources, the Company has determined that he is a suitable person to appropriately provide supervision and advice on overall business execution of the Company, with focus on the IT and system areas, and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his abundant experience in government financial administration, etc., and therefore proposes reappointing him Outside Director. He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."

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**Candidate No.10**

**Reappointment  
Independent Outside Director**

<b>Tamotsu Moriyama</b>		[Male]
(March 24, 1973)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Oct. 1994	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
	Jan. 2001	Joined Stern Stewart & Co.
	Jan. 2002	Joined Nomura Wasserstein Perella Co., Ltd. (currently Nomura Securities Co., Ltd.)
	Jan. 2007	Joined Frontier Management Inc.
	Apr. 2013	Established Maxus Corporate Advisory Inc., President and Representative Director (to present)
	Aug. 2015	Outside Director, PROPOLIFE INC. (currently LOGPROSTYLE GROUP INC.) (to present)
	Jan. 2021	Outside Director, the Company (to present)
		(Significant concurrent positions)
	President and Representative Director, Maxus Corporate Advisory Inc.	
	Outside Director, LOGPROSTYLE GROUP INC.	
Tenure as Director	3 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	18/18 meetings (100%)	
Reasons for nomination and outline of expected roles	Mr. Tamotsu Moriyama serves as Representative Director of a company with extensive experience and achievements as an M&A advisor. He has abundant experience and insight as a certified public accountant (Japan and the United States), in addition to experience and insight in corporate management, while also having a track record of	

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involvement in corporate restructuring at financial institutions. The Company has determined that he is a suitable person to appropriately provide supervision and advice on the Company's medium- to long-term strategies and group management policies, etc., and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his abundant experience in business executives and financial institution management, and therefore proposes reappointing him Outside Director.

He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."

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(Notes)

1. No conflict of interest exists between the Company and each candidate.
2. Mr. Manatomo Yoneyama, Mr. Yukihiro Machida, Mr. Hitoshi Hatta, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama are candidates for Outside Director.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Manatomo Yoneyama, Mr. Yukihiro Machida, Mr. Hitoshi Hatta, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by Article 425, Paragraph 1 of the Companies Act. If the reappointment of each candidate is approved, the Company will continue the agreement with them. In the event that Mr. Noriyoshi Kimura assumes the office of Director, the Company will enter into an agreement with him to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, with the same terms and conditions as if the reappointment of Mr. Manatomo Yoneyama, Mr. Yukihiro Machida, Mr. Hitoshi Hatta, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama is approved, pursuant to Article 427, Paragraph 1 of the Companies Act.
4. Upon the reappointment of Mr. Yukihiro Machida, Mr. Hitoshi Hatta, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama, the Company will continue to designate each of them as an independent officer.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act for Directors, Auditors, and Executive Officers of the Company and subsidiaries of the Company as the insured persons. The insurance premiums are all paid by the Company. The insurance agreement covers compensation for damages and litigation costs in the event that the insured is sued by a third party or shareholder for damages. However, as a measure to ensure that the appropriate performance of duties by the insured is not impaired, damages, etc. arising from criminal acts of the insured, acts committed by the insured with the knowledge of violating laws and regulations, and the insured illegally obtaining personal benefits or favors are not covered by the insurance agreement. Mr. Noriaki Maruyama, Mr. Tomokazu Yokoi, Mr. Manatomo Yoneyama, Mr. Yukihiro Machida, Mr. Hitoshi Hatta, Mr. Tomohisa Takeda, and

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Mr. Tamotsu Moriyama are currently Directors of the Company and insured by the above insurance agreement. Upon the reappointment of each candidate, they will continue to be insured by the insurance agreement. Mr. Ryota Okazawa and Mr. Noriyoshi Kimura are currently Executive Officers of the Company and are insured by the insurance agreement. In the event that they assume the office of Director, both of them will continue to be insured by the insurance agreement. In addition, if Mr. Yasunaga Matsumoto assumes the office of Director, he will be insured by the insurance agreement. The Company will renew the insurance agreement with the same terms and conditions during the terms of office of the candidates.

6. Mr. Noriyoshi Kimura will resign as Representative Director and Chairman of NetMove Corporation as of June 17, 2024, and as Managing Executive Officer of the Company as of June 18, 2024. He will also assume the office of Senior Managing Executive Officer & Group CTO of SBI Holdings, Inc. as of June 27, 2024.

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**(Reference) Nomination procedures for candidates for Director, election criteria for Outside Directors, and criteria for determining independence**

Nomination procedures for candidates for Director	When nominating candidates for Director, we ensure a high degree of transparency and objectivity in the deliberation process by having discussions at the Nomination and Compensation Committee, a committee chaired by an Independent Outside Director where Independent Outside Directors form a majority of the members.
Election criteria for Outside Directors	The Company selects candidates by setting requirements, such as insight of corporate management and Fintech, experience and insight in specialized fields such as those of lawyers and accountants, and experience and insight in risk management of financial institutions and government financial administration, while also considering their personalities and talents. Furthermore, in the nomination of candidates for Independent Outside Directors, the Company selects candidates who are independent of the Company and have no risk of causing conflicts of interest with shareholders in accordance with the criteria established by the Company for determining independence of outside officers.
Criteria for determining independence	<p>1. If none of the following criteria applies, the candidate is judged to be sufficiently independent.</p> <p>A) A person who is currently or has been in the ten years prior to appointment an officer (Note 1) or an executive (Note 2) of the Company, its subsidiary or associate, other affiliate of the Company, a subsidiary of such affiliate, a parent company of other affiliate of the Company, or a subsidiary of such parent company</p> <p>B) A person who is currently or has been in the three years prior to appointment a major shareholder (Note 3) of the Company or, if such person is a corporation, such as a company, its officer or executive</p> <p>C) A person whose major business partner (Note 4) is currently or has been in the three years prior to appointment the Company or its subsidiary or, if such person is a corporation, such as a company, its officer or executive</p> <p>D) A person who is currently or has been in the three years prior to appointment a major business partner of the Company or its subsidiary or, if such person is a corporation, such as a company, its officer or executive</p> <p>E) A consultant, accounting professional, or legal professional who currently receives or has received in the three years prior to appointment a large amount of cash (Note 5) or other property, other than officer remuneration, from the Company or its subsidiary (or if such person is an organization, such as a corporation or association, a person who is affiliated with the organization)</p> <p>F) A person who is currently the Accounting Auditor of the Company or its subsidiary or an employee, etc. of such Accounting Auditor, or a person who has been engaged in auditing of the Company or its subsidiary as an employee, etc. of the Accounting Auditor of the Company or its subsidiary in the three fiscal years prior to appointment</p>



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- G) A person who currently receives or has received in the three years prior to appointment a large amount of donations (Note 6) from the Company or its subsidiary or, if such person is a corporation, such as a company, its officer or executive
  - H) A close relative (spouse, relative within the second degree of kinship, or relative living together) of a person who falls under any of A through G above (excluding non-important (Note 7) persons)
2. Even in the case of a person to whom any of the above criteria applies, if the Company considers that the person is appropriate as an independent officer of the Company and has no risk of causing conflicts of interest in light of his/her personality and insight, etc., the Company may select such person as a candidate for an independent officer of the Company, provided that the Company explains the reasons to external parties.

(Notes)





1. A Director (excluding Independent Outside Directors) or Auditor (excluding Independent Outside Auditors)
2. An executive Director, Corporate Officer, Executive Officer, manager or other employee
3. A shareholder holding 10% or more of total voting rights
4. In transactions with the business partner for the past three fiscal years, the amount paid by the Company or its subsidiary is 2% or more of consolidated net sales of the business partner, or the amount received by the Company or its subsidiary is 2% or more of ordinary income of the Company
5. The annual amount of cash received from the Company or its subsidiary is 10 million yen or more in the case the person is an individual. If the person is affiliated with a corporation, etc., the annual amount of cash received from the Company or its subsidiary is 2% or more of consolidated net sales of such corporation, etc.
6. The annual average of donations for the past three fiscal years is 10 million yen or more in the case the recipient is an individual. If the recipient is a corporation, the annual average of donations for the past three fiscal years is 10 million yen or more or 2% or more of consolidated net sales or total income of the recipient, whichever is larger
7. In the case of an organization such as a corporation or association, a person at the levels of officers or general managers of such organization, or in the case of an association or a school, a person in a position equivalent to a director

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**(Reference) Areas in which the Company has particular expectations for candidates for Director (up to four areas)**

Name, Current position /Area		Corporate management	Finance	Legal affairs Compliance Risk management	Financial accounting	Technology	Innovation
	<b>Yasunaga Matsumoto</b> Corporate Advisor	●	●	●			
	<b>Noriaki Maruyama</b> Representative Director, President & CEO	●	●			●	●
	<b>Tomokazu Yokoi</b> Director, Deputy President and Executive Officer		●	●	●		
	<b>Ryota Okazawa</b> Managing Executive Officer		●	●			
	<b>Manatomo Yoneyama</b> Outside Director		●	●		●	
	<b>Noriyoshi Kimura</b> Managing Executive Officer		●			●	

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Name, Current position /Area		Corporate manage- ment	Finance	Legal affairs Compliance Risk manage- ment	Financial accounting	Technology	Innovation
	<b>Yukihiro Machida</b> Independent Outside Director		●	●			
	<b>Hitoshi Hatta</b> Independent Outside Director		●	●			
	<b>Tomohisa Takeda</b> Independent Outside Director		●	●		●	
	<b>Tamotsu Moriyama</b> Independent Outside Director	●	●		●		

\* The table above does not represent all types of knowledge and experience held by Director candidates.

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• **Proposal 3: Election of One (1) Auditor**

As Auditor Mr. Toshiro Ishizaki will resign at the conclusion of this Shareholders' Meeting, the Company proposes electing one Auditor as follows. The Audit and Supervisory Board has given its consent with regard to the submission of this proposal.

(Candidate's Career Summary)

**New candidate  
Outside Auditor**

<b>Fumihito Eno</b>		[Male]
(November 11, 1966)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1990	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	Apr. 2012	Group Leader of Risk Management Department, Sumitomo Mitsui Trust Bank, Limited
	Jun. 2013	Deputy Director General of Global Business Planning and Coordination Department, Sumitomo Mitsui Trust Bank, Limited
	Aug. 2013	Assistant General Manager of Global Business Planning and Coordination Department, Sumitomo Mitsui Trust Bank, Limited
	Jul. 2014	Deputy Director General of Shanghai Branch, Sumitomo Mitsui Trust Bank, Limited
	Feb. 2015	Assistant General Manager of Shanghai Branch, Sumitomo Mitsui Trust Bank, Limited
	Jun. 2017	Chief Manager of Internal Audit Department, Sumitomo Mitsui Trust Bank, Limited
	Jun. 2017	Chief Manager of Internal Audit Department, Sumitomo Mitsui Trust Holdings, Inc.

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	Dec. 2020	Head of BoC, BIDV-SuMi TRUST Leasing Co., Ltd. (to present)
	Jan. 2021	Head of Internal Audit Department, Sumitomo Mitsui Trust Holdings, Inc.
	(Significant concurrent positions)	
	Head of BoC, BIDV-SuMi TRUST Leasing Co., Ltd.	
Tenure as Auditor	-	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Audit and Supervisory Board	-	
Reasons for nomination	<p>Mr. Fumihito Eno has held key positions in a wide range of areas such as risk management and overseas business after joining The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) in 1990. He has been engaged in the internal audit of Sumitomo Mitsui Trust Holdings, Inc. since 2017. As he has extensive experience and achievements in the banking business, the Company believes that he is well qualified to be Auditor of the Company.</p>	

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(Notes)

1. No conflict of interest exists between the Company and the candidate.
2. Mr. Fumihito Eno is a candidate for Outside Auditor.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, if the appointment of Mr. Fumihito Eno is approved, the Company intends to enter into an agreement with him to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by Article 425, Paragraph 1 of the Companies Act.
4. The Company has entered into a directors and officers liability insurance agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act for Directors, Auditors, and Executive Officers of the Company and subsidiaries of the Company as the insured persons. The insurance premiums are all paid by the Company. The insurance agreement covers compensation for damages and litigation costs in the event that the insured is sued by a third party or shareholder for damages. However, as a measure to ensure that the appropriate performance of duties by the insured is not impaired, damages, etc. arising from criminal acts of the insured, acts committed by the insured with the knowledge of violating laws and regulations, and the insured illegally obtaining personal benefits or favors are not covered by the insurance agreement. In the event that Mr. Fumihito Eno assumes the office of Auditor, he will be insured by the insurance agreement. The Company will renew the insurance agreement with the same terms and conditions during the term of office of the candidate.
5. Mr. Fumihito Eno will retire from Sumitomo Mitsui Trust Bank, Limited as of June 17, 2024.

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## Business Report for the 17th Fiscal Year

(April 1, 2023 - March 31, 2024)

### 1. Matters Concerning the Current Situation of the Company

#### (1) Business Progress and Results, etc. of the Group

<Details of the main businesses of the Group>

The Group, which is comprised of the Company, six consolidated subsidiaries, and two equity method affiliates, mainly provides financial services such as banking services including deposits and loans, and debit card services through the use of mobile apps and the Internet as channels, and the BaaS (Banking as a Service) business, advertising and data marketing services, forestry and forestry DX services, and carbon credit support services.

(Note) The BaaS (Banking as a Service) business refers to the provision of financial functions such as deposits, loans, and payment services, which are handled by banks, to partners.

<Financial business environment>

Looking back at the consolidated fiscal year ended March 31, 2024, the global economy showed the slowdown in the pace of recovery due to the environment where monetary policies tightening continued, mainly in Europe and the U.S.

In the U.S., the economy remained strong, with an improved employment and income environment supporting personal consumption. In China, meanwhile, the economy remained sluggish against the backdrop of adjustment in the real estate market. In Europe, the economy was sluggish as households' purchasing power declined on the back of rising inflation while high interest rates put downward pressure on corporate capital investment.

Regarding the Japanese economy, the overall recovery continued, albeit moderately, although there were signs of a standstill in some parts of the economy. Corporate earnings were strong as the weakening of the yen boosted profits of exporting companies and there was progress in cost pass-through to prices. Personal consumption lacked strength, with income growth falling short of price increases.

In the Japanese financial and capital markets, the decision by the Bank of Japan (BOJ) in March 2024 to lift its negative interest rate policy and to end yield curve control caused uncollateralized overnight call rates to rise out of negative territory to the 0.07% level. Although changes in long-term interest rates were limited as the BOJ's decision had been factored into the market in advance, the yen depreciated to the higher 151-yen per dollar range as the market speculated that the environment for monetary easing would continue. The Nikkei Stock Average surpassed 40,000 yen and reached an all-time high amid growing expectations of improved performance by domestic companies, as well as the favorable winds from the supply-demand side, such as the start of the new NISA in January 2024.

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<Business results of the Group>

In this financial economic environment, for the fiscal year ended March 31, 2024, ordinary profit was 34.8 billion yen (up 18.6% year on year) and profit attributable to owners of parent was 24.8 billion yen (up 24.6% year on year). This was due to steady growth in the amount of mortgage loans, main products of the Company, and due to an increase in payment-related fees due to the expansion of the customer base and the progress of cashless payments.

Regarding the status of reportable segments for the fiscal year ended March 31, 2024, in the Digital banking business, an increase in fees and commissions due to lending administration fees and payment-related fees due to the progress of cashless payments due to mortgage loans, the main business, and an increase in net interest income against the backdrop of rising market interest rates in Japan and overseas contributed to a gross profit of 65.5 billion yen (up 11.2% year on year), and as a result of increases in personnel expenses, advertising expenses, outsourcing expenses related to office work, etc., expenses, etc. was 34.2 billion yen (up 10.9% year on year) and ordinary profit was 31.2 billion yen (up 11.5% year on year). In the BaaS business, in addition to an increase in account fees due to an increase in bank accounts and an increase in fees due to mortgage loans, with the steady performance of NetMove Corporation, a consolidated subsidiary of the Company, gross profit was 8.8 billion yen (up 82.3% year on year), expenses, etc., was 5.2 billion yen (up 48.9% year on year), and ordinary profit was 3.6 billion yen (up 168.8% year on year) due to continuous system investments in addition to advertising expenses, etc., for the "NEOBANK<sup>®</sup>" service. As for the THEMIX business, as the business is in the start-up phase where expenses are incurred ahead, an ordinary loss of 92 million yen was recorded. Since the non-financial operations such as the businesses including data marketing and advertising that utilize data, which customers have agreed to be used (financial data platform business), forestry and forestry DX (DX platform business), and support business related to carbon credit (carbon credit platform business), which were previously included in the "BaaS business," started full-scale operation during the fiscal year ended March 31, 2024, the management classification has been changed and the businesses are stated as a separate reporting segment, the "THEMIX business."

Profit per share was 164.78 yen.

Regarding the status of assets and liabilities for the fiscal year ended March 31, 2024, total assets were 10,676.4 billion yen, an increase of 1,997.4 billion yen from the fiscal year ended March 31, 2023. Cash and due from banks were 1,665.5 billion yen, an increase of 565.1 billion yen from the fiscal year ended March 31, 2023, and loans and bills discounted amounted to 7,972.7 billion yen, an increase of 1,377.8 billion yen from the fiscal year ended March 31, 2023, due to active efforts for mortgage loans. Securities amounted to 562.5 billion yen, remained almost flatly from the fiscal year ended March 31, 2023. Meanwhile, liabilities amounted to 10,524.8 billion yen, an increase of 1,977.4 billion yen from the fiscal year ended March 31, 2023. Deposit, which is mainly yen liquid deposit, amounted to 9,463.1 billion yen, an increase of 1,487.7 billion yen from the fiscal year ended March 31, 2023. In addition, borrowed money amounted to 800.0 billion yen, an increase of 500.0 billion yen from the fiscal year ended March 31, 2023. Net assets amounted to 151.6 billion yen, an increase of 19.9 billion yen from the fiscal year ended March 31, 2023, due to the recording of 24.8 billion yen in profit attributable to owners of the parent as the source of funds, as well as changes in net unrealized gains (losses) on available-for-sale securities and net deferred gains (losses) on hedges.

<Business progress, etc. of the Group>

The Group has been striving to realize its basic concept of "providing easiest-to-use, attractive full internet banking products and services 24 hours a day, 365 days" since it started operation in September 2007. As a result of the support of many customers, the number of accounts at the end of the consolidated fiscal year ended March 31, 2024 was 7.26 million, and the total amount of deposits reached the 9.4 trillion yen range.

For mortgage loans, main products of the Company, we continued to expand our branch network this consolidated fiscal year using bank agents in order to provide our products to more customers, and have concluded partnership agreements with many companies and new bank agents. As a result of these initiatives, the cumulative amount of mortgage loans we handled since we started operation reached 10 trillion yen in October 2023. In the BaaS



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business, we launched nomu.com NEOBANK, a banking service for customers of Nomura Real Estate Solutions Co., Ltd. in April 2023, Mirai Bank, a banking service for customers of Mirai Bank Co., Ltd. in April 2023, SUMITOMO MITSUI TRUST NEOBANK, a banking service for customers of Sumitomo Mitsui Trust Bank, Limited in September 2023, KEIO NEOBANK, a banking service for customers of Keio Passport Club Co., Ltd. in September 2023, MATSUI Bank, a banking service for customers of Matsui Securities Co, Ltd. in October 2023, and livedoor Bank, a banking service for customers of livedoor Co., Ltd. in March 2024. Going forward, we will continue striving to deliver our financial infrastructure as BaaS to a variety of companies and work to provide financial services using the latest technology to even more customers.

In the THEMIX business, we are engaged in non-financial operations such as the businesses including data marketing and advertising that utilize data, which customers have agreed to be used, forestry and forestry DX, and support business related to carbon credit. With the aim of accelerating our efforts to maximize forest values, reducing the burden on the environment, contributing to the development of a sustainable society, and realizing a carbon-neutral society through the realization of DX in the forest supply chain, we entered into a capital and business alliance agreement with Mapry Corporation in July 2023 and established THEMIX Green, Inc. in October 2023. We have already concluded agreements with several local governments, banks, etc. We will build business models for the forestry and forestry DX and carbon credit-related support business, as well as working on the creation of credits other than those derived from forests, establishment of carbon offsetting methods, etc.

We will also continue to develop and improve attractive financial services by maximizing the convenience of the Internet with “customer-centric” “initiatives concerning SBI Sumishin Net Bank’s fiduciary duties.”

<Issues to be addressed>

In addition to the changes in the financial economic environment described above, since the Company started business, the business and competitive environment surrounding the banking industry has been significantly changing, such as the expansion of financial transactions using the Internet, the spread of smartphones and tablets, and in recent years, domestic IT companies and regional financial institutions entering the field of Internet-only banks, as well as major banks and Internet-only banks entering the BaaS business.

With the Company’s Corporate Slogan of “With technology, in the spirit of integrity we will create a society where affluence circulates,” basing our business activities on “customer-centric,” we will continue to further improve convenience, offer attractive products, and achieve stable business management and organizational operations, in order to continue to be the bank of choice for our stakeholders.

The priority issues to be addressed by the Group on business and financial affairs are as follows.

1) Creation of new business models for the new era

The financial environment is drastically being transformed into a “state with positive interest rates” as the long-standing negative interest rate policy comes to an end. At the same time, we recognize the issue that continued profit growth in the future will be difficult in the traditional income model that secures profit margins centered on deposits and loans, due to the recent acceleration of the digital shift by major banks, intensifying competition among Internet-only banks, and other factors. Under these circumstances, the Group will continue to achieve further profit growth by not only reviewing its management of deposit and loan interest rates but also constructing innovative business models, not limited to the BaaS business and the THEMIX business, to accumulate non-interest income which is not conventional financial income.

Furthermore, the Group aims to promote the provision of high value-added products by combining the use of advanced IT technologies such as APIs and the cloud with a customer-centric culture. The Group also strives to achieve more efficient business operations, including a lower expense ratio and higher net business profit per employee, through the use of technology, with the aim of creating new value. Moreover, the Group will continue to not only speedily create new value by quickly introducing high quality user interface/user experience (UI/UX) and advanced, efficient technologies such as

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AWS (Amazon Web Services) cloud, API, AI, and big data, but also work on efforts to realize a sustainable society through the forestry and forestry DX business and the carbon credit-related business.

## 2) Establishment of a stable income base and customer base

By promoting the expansion of customer base and income base through becoming a main bank, the Group aims to establish an even more stable management base by continuing to provide products that match customer life stages and introducing new services that seek customer convenience.

For the main product, mortgage loans, we will review product characteristics, improve the customer support system, and expand sales channels. For the BaaS business, we will work to further accumulate balances and enhance profitability through expanding partnerships with partners engaging in housing related businesses such as YAMADA HOLDINGS CO., LTD. and Open House Group Co., LTD. In addition, our expected loss ratio<sup>(Note)</sup> for mortgage loans as of March 31, 2024 was only 0.015% due to our high-quality customer base, as well as our proprietary technology such as AI screening models. Furthermore, in customer loans, we aim to strengthen profitability by offering new products such as loans for asset building through real estate investment, acquiring customers through the development of marketing measures and other measures, and accumulating balances by appealing product strengths, etc. We will also strive to accumulate stable fee-based income by aiming to enhance customer convenience through expanding payment businesses such as debit cards, and proactive initiatives in the FinTech field, etc.

In the BaaS business, we will work to leverage the expertise we have cultivated since our opening to provide our NEOBANK<sup>®</sup> services to an even greater number of business partners and their customers, in order to create new value in the financial services sector. The NEOBANK<sup>®</sup> services that we offer are designed to provide a complementary banking infrastructure that integrates with our business partners' platforms to enable customers to use the business partners' services smoothly and efficiently. Our partnership with companies in the BaaS business started with Japan Airlines Co., Ltd. in April 2020, and the number of our business partners is 16 as of March 31, 2024.

In the THEMIX business, we will provide one-stop platform for businesses from forestry and forestry DX to the creation of carbon credits, and by providing support related to carbon credits, we will work to build relationships with local governments, regional financial institutions, etc. that we have been unable to approach in the past.

(Note) Expected loss ratio is calculated based on the Probability of Default (PD) × Loss Given Default (LGD) for exposure to residential real estate calculated in accordance with the "Criteria for Judging Whether a Bank's Capital Adequacy is Appropriate in Light of Assets Held" (the Financial Services Agency Notification No. 19; March 27, 2006), which is based on Article 14-2 of the Banking Act

## 3) Strengthening the business management system

The business management risks facing the Group are changing due to the expansion of the customer base and total assets, business diversification, and volatile market environment. We will enhance our management system, while also expanding investment in human resources, in line with future business development.

In terms of systems, with providing highly convenient services that are of use to customers as the number one priority, we will continuously consider constructing a system suitable for future business models while promoting minimizing development risks and advancing measures to prevent failures from occurring and to prevent their expansion when they do occur.

In terms of risk management, we will strive to strengthen risk management by promoting strengthening the interest rate risk management and liquidity risk management system in line with the assets held by the Group and enhance credit risk management while complying with various regulations such as Basel III. We will also continue to work on measures against unauthorized use of accounts and unlawful access.

In terms of governance, we will improve our company-wide governance system in accordance with the Corporate Governance Code, ensure its smooth operation, and strengthen our sustainability initiatives. Furthermore, as our sustainability initiatives, we will promote efforts to contribute to solving social issues through our overall business activities, based on the Sustainability Declaration formulated in April 2021.

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In addition, we will further promote customer protection measures by constructing a risk management system appropriate for the increasing number of bank agents and strengthening security measures based on of the growing social expectations of financial institutions and the recent increase in financial crimes and cyberattacks on the Internet.

We appreciate the continued understanding and cooperation of our shareholders as we move forward.

## (2) Status of Assets and Profit of the Group and Company

### A. Status of assets and profit of the Group

(Millions of yen)

	FY2020	FY2021	FY2022	FY2023
Ordinary income	78,754	83,527	98,052	118,572
Ordinary profit	20,726	23,265	29,390	34,846
Profit attributable to owners of parent	13,928	17,113	19,932	24,845
Comprehensive income	14,741	11,706	16,254	21,143
Net assets	134,182	145,392	131,691	151,608
Total assets	7,233,344	8,534,021	8,679,004	10,676,416

- (Notes)
- The amounts above are shown with amounts less than one unit rounded down.
  - Based on a resolution of the Extraordinary General Meeting of Shareholders on January 18, 2023, the Company paid a cash dividend of 198.95 yen per share, or a total of 30,000 million yen, from retained earnings, (written resolution pursuant to Article 319, Paragraph 1 of the Companies Act), with the record date on the aforementioned date of resolution and the effective date on January 20, 2023. As a result, net assets decreased by 30,000 million yen.

### B. Status of assets and profit of the Company

(Millions of yen)

	FY2020	FY2021	FY2022	FY2023
Deposits	6,293,877	7,115,850	7,977,700	9,465,829
Time deposits	1,591,515	1,641,811	1,786,215	1,938,492
Others	4,702,362	5,474,039	6,191,484	7,527,337
Loans and bills discounted	4,566,789	5,409,936	6,606,594	7,978,762
Individuals	4,045,411	4,757,344	5,664,193	7,108,063
Small to mid-sized enterprises	469	43,429	36,086	15,346
Others	520,908	609,162	906,313	855,352
Securities	692,622	813,670	568,626	571,806
Japanese government bonds	225,313	385,929	149,840	180,887
Others	467,309	427,741	418,786	390,919
Total assets	7,204,724	8,533,737	8,677,604	10,674,141
Domestic exchange transactions	21,979,575	28,338,339	31,511,346	43,978,060
Foreign exchange transactions	Millions of dollars 213,450	Millions of dollars 158,064	Millions of dollars 285,435	Millions of dollars 301,660
Ordinary profit (loss)	20,608	22,346	29,035	33,605
Profit (loss)	13,900	16,680	19,890	23,784
Profit (loss) per share	Yen 92.18	Yen 110.61	Yen 131.90	Yen 157.74

- (Notes)
- The amounts above are shown with amounts less than one unit rounded down.
  - Based on the resolution of the Board of Directors at a meeting held on December 10, 2021, the Company conducted a share split at a ratio of 100 shares for a common share effective January 1, 2022. Profit (loss) per share is calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2021, and profit (loss) per share for the fiscal year ended March 31, 2021 and the fiscal years thereafter have been retroactively adjusted.

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### (3) Status of Employees of the Group

#### A. Status of employees of the Group

	Digital banking business	BaaS business	THEMIX business	Total
Number of employees	669	77	0	746

- (Notes)
1. The number of employees includes Executive Officers who do not concurrently serve as Director and seconded employees, and excludes fixed-term contract employees and temporary employees.
  2. The non-financial services, including the data marketing and advertising businesses, etc. that utilize data with customers' consent for use, the forestry and forest DX business, and the support business related to carbon credit, were previously included in the "BaaS business." These services are now listed as an independent reportable segment "THEMIX business" due to a change in management classification since they started full-scale operations in the fiscal year ended March 31, 2024.
  3. All employees in the THEMIX business are concurrently engaged in the Digital banking business or the BaaS business. For the purpose of this report, they are listed as employees of the business in which they are most involved.

#### B. Status of employees of the Company

	As of March 31, 2024
Number of employees	628 employees
Average age	39 years and 3 months old
Average length of service	4 years and 6 months
Average monthly salary	662 thousand yen

- (Notes)
1. The average age, the average length of service, and the average monthly salary are shown with amounts less than one unit rounded down.
  2. The number of employees include Executive Officers and accepted secondees who do not concurrently serve as Director. It does not include fixed-term contract employees and temporary employees.
  3. The average age, the average length of service, and the average monthly salary do not include accepted secondees, fixed-term contract employees, and temporary employees.
  4. The average monthly salary includes bonuses and overtime allowances, etc.

### (4) Status of Business Locations, etc. of the Group

#### A. Status of business locations, etc. of the Company

##### 1) Number of business locations

	As of March 31, 2024
Head office and branches	40 branches including 3 sub-branches

##### 2) Business locations opened during the fiscal year ended March 31, 2024

Business location	Address
nomu.com Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
Mirai Bank Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
KUJIRA Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
KEIO NEO BANK Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
MATSUI Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
SUMITOMO MITSUI TRUST Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
livedoor Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
NEOBANK BUSINESS Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
BillOne Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
Kaede Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan

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Sakura Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan
Tsubaki Branch	Izumi Garden Tower 18th Floor, 6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan

(Note) The above business locations opened during the fiscal year under review was changed to "2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan" as of April 30, 2024, following the relocation of the Company's head office.

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3) List of bank agents

Name	Address of main business location	Main business other than bank agency business
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	Banking
SBI SECURITIES Co., Ltd.	6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan	Securities
SBI MONEYPLAZA Co., Ltd.	6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan	Financial product intermediary
GOOD MORTGAGE	5-1, Nishishinjuku 6-chome, Shinjuku-ku, Tokyo, Japan	-
MX Mobiling Co., Ltd.	2-24, Toyosu 3-chome, Koto-ku, Tokyo, Japan	Mechanical equipment retail
I.F.CREATE Co., Ltd.	36-2, Akebonocho 2-chome, Tachikawa-shi, Tokyo, Japan	Life insurance and non-life insurance agency
Yoshida Communication Co., Ltd.	5-14, Kinkocho, Kanagawa-ku, Yokohama-shi, Kanagawa, Japan	Mechanical equipment retail
Asahi Kasei Homes Financial Corporation	1-105, Kanda Jinbocho, Chiyoda-ku, Tokyo, Japan	Housing-only financial business
Shimane bank Ltd.	484-19, Asahimachi, Matsue-shi, Shimane, Japan	Banking
JAL Payment Port Co., Ltd.	4-11, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo, Japan	Other ancillary financial business
FUKUSHIMA BANK, LTD.	2-5, Banseicho, Fukushima-shi, Fukushima, Japan	Banking
THE SENDAI BANK, Ltd.	1-1, Ichibancho 2-chome, Aoba-ku, Sendai-shi, Miyagi, Japan	Banking
Anabuki Insurance Co., Ltd.	8-1, Togyamachi, Takamatsu-shi, Kagawa, Japan	Life insurance brokerage
TOHO HOUSE Co., Ltd	12-2, Honcho 2-chome, Kokubunji-shi, Tokyo, Japan	-
LIXIL Housing Research Institute, Ltd.	1-1, Nishishinagawa 1-chome, Shinagawa-ku, Tokyo, Japan	General contractor
T-money Co., Ltd.	16-17, Nanpeidai-cho, Shibuya-ku, Tokyo, Japan	Electronic money business
Takashimaya Company, Limited	12-10 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	Department store business
OuchiLink Co., Ltd.	3-1 Shibuya 3-chome, Marunouchi, Chiyoda-ku, Tokyo, Japan	Communication
Kashiwabara Assist, Co., Ltd.	2-70, Konan 1-chome, Minato-ku, Tokyo, Japan	Housing-only financial business
YAMADA Finance Co., Ltd.	1-1, Sakaecho, Takasaki-shi, Gunma, Japan	Housing-only financial business
EHIME BANK, LTD.	2-1, Katsuyamacho, Matsuyama-shi, Ehime, Japan	Banking
GOESWELL Co., Ltd.	17-18, Shinjuku 5-chome, Shinjuku-ku, Tokyo, Japan	Life insurance and non-life insurance agency
Smart Billing Service	4-10, Nishiikebukuro 1-chome, Toshima-ku, Tokyo, Japan	Other business services
FAMILYLIFESERVICE	12-13, Sakai 2-chome, Musashino-shi, Tokyo, Japan	Housing-only financial business
Yuryo Loan Co., Ltd.	34-7, Shinjuku 4-chome, Shinjuku-ku, Tokyo, Japan	Housing-only financial business

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Name	Address of main business location	Main business other than bank agency business
SBI Remit Co., Ltd.	9-3 Otsuka 2-chome, Bunkyo-ku, Tokyo, Japan	Remittance business
YAMADA DENKI CO., LTD.	1-1 Sakae-cho, Takasaki-shi, Gunma, Japan	Appliance and equipment retail
The Dai-ichi Life Insurance Company, Limited	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan	Insurance
HOME FIRST FINANCE., LTD.	20-2, Nishishinjuku 1-chome, Shinjuku-ku, Tokyo, Japan	Housing-only financial business
NEOBANK Services Co., Ltd.	6-1 Roppongi 1-chome, Minato-ku, Tokyo, Japan	Research, development and planning related to financial business
GRIT INC.	2-1 Roppongi 3-chome, Minato-ku, Tokyo, Japan	-
Smile Bank., Co., Ltd.	13-1 Ginza 8-chome, Chuo-ku, Tokyo, Japan	-
CESbank., Co., Ltd.	7-1 Nishihonmachi 1-chome, Nishi-ku, Osaka, Japan	-
SBI ARUHI Corporation	6-1 Roppongi 1-chome, Minato-ku, Tokyo, Japan	Housing-only financial business
Nomura Real Estate Solutions Co., Ltd.	26-2 Nishishinjuku 1-chome, Shinjuku-ku, Tokyo, Japan	Real estate brokerage, insurance agency
Mirai Bank, Co., Ltd.	12-38 Shibaura 4-chome, Minato-ku, Tokyo, Japan	Financial product intermediary
Keio Passport Club Co., Ltd.	2-2 Hatagaya 1-chome, Shibuya-ku, Tokyo, Japan	Credit card business
Matsui Securities Co., Ltd.	4 Kojimachi 1-chome, Chiyoda-ku, Tokyo, Japan	Securities
livedoor Co., Ltd.	9-1 Higashishimbashi 1-chome, Minato-ku, Tokyo, Japan	Internet-based service provider

(Notes) 1. On April 15, 2024, the Company entered into a banking agency agreement with Sansan, Inc. for BillOne Branch, which was newly established on March 14, 2024.

2. T-money Co., Ltd. changed its name to CCC LIFE PARTNERS Co.,Ltd. on April 22, 2024.

3. NEOBANK Services Co., Ltd. changed the location of its head office from "6-1 Roppongi 1-chome, Minato-ku, Tokyo, Japan" to "2-1 Roppongi 3-chome, Minato-ku, Tokyo, Japan" as of April 30, 2024.

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4) Status of bank agents operating banks, etc.

Name
Sumitomo Mitsui Trust Bank, Limited

B. Subsidiaries of the Company

1) Digital banking business

Company Name	Main Sales Sites	Location
Yuryo Loan Co., Ltd.	Headquarters	Shinjuku-ku, Tokyo, Japan
	Osaka Branch	Chuo-ku, Osaka-shi, Japan
	Fukuoka Branch	Hakata-ku, Fukuoka-shi, Japan

2) BaaS business

Company Name	Main Sales Sites	Location
NetMove Corporation	Headquarters	Chiyoda-ku, Tokyo, Japan
Dayta Consulting Co., Ltd.	Headquarters	Minato-ku, Tokyo, Japan
NEOBANK Services Co., Ltd.	Headquarters	Minato-ku, Tokyo, Japan

3) THEMIX business

Company Name	Main Sales Sites	Location
THEMIX Data, Inc.	Headquarters	Minato-ku, Tokyo, Japan
THEMIX Green, Inc.	Headquarters	Minato-ku, Tokyo, Japan

(Note) The non-financial services, including the data marketing and advertising businesses, etc. that utilize data with customers' consent for use, the forestry and forest DX business, and the support business related to carbon credit, were previously included in the "BaaS business." These services are now listed as an independent reportable segment "THEMIX business" due to a change in management classification since they started full-scale operations in the fiscal year ended March 31, 2024.

(5) Status of Capital Investment of the Group

A. Total Capital investment

(Millions of yen)

Company Name	Amount Invested
SBI Sumishin Net Bank, Ltd.	9,401

- (Notes)
- The stated amount is shown with amounts less than one million yen rounded down.
  - The total amount (excluding transfers from suspense accounts) of investments toward property, plant and equipment and intangible assets are shown.
  - For internal management purposes, the Group does not allocate assets to each segment. Accordingly, total capital expenditures for each company are listed.

B. Construction of significant facilities, etc.

(Millions of yen)

Company Name	Details	Amount Invested
SBI Sumishin Net Bank, Ltd.	Software	9,319
	Software in progress	

- (Notes)
- The stated amount is shown with amounts less than one million yen rounded down.
  - The total amount (excluding transfers from suspense accounts) of investments toward property, plant and equipment and intangible assets are shown.
  - For internal management purposes, the Group does not allocate assets to each segment. Accordingly, the amount of construction of significant facilities, etc. for each company are listed.



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(6) Status of Significant Parent Companies and Subsidiaries, Etc.

A. Status of parent companies

Not applicable.

B. Status of subsidiaries, etc.

Name	Address	Main business	Capital	Voting rights ratio of subsidiaries, etc., held by the Company	Other
NetMove Corporation	Chiyoda-ku, Tokyo, Japan	Settlement services and other finance-related business	100 million yen	100.00%	Subsidiary
Dayta Consulting Co., Ltd.	Minato-ku, Tokyo, Japan	AI-based screening services and other finance-related business	50 million yen	100.00%	Subsidiary
Yuryo Loan Co., Ltd.	Shinjuku-ku, Tokyo, Japan	Money lending	600 million yen	100.00%	Subsidiary
THEMIX Data, Inc.	Minato-ku, Tokyo, Japan	Advertising and data marketing business	450 million yen	100.00%	Subsidiary
NEOBANK Services Co., Ltd.	Minato-ku, Tokyo, Japan	Services related to Bank agent business	35 million yen	100.00%	Subsidiary
THEMIX Green, Inc.	Minato-ku, Tokyo, Japan	Forestry and forest DX business and support business related to carbon credits	150 million yen	100.00%	Subsidiary (Note 4)
JAL Payment Port Co., Ltd.	Shinagawa-ku, Tokyo, Japan	Prepaid card business	390 million yen	15.06%	Affiliated corporation, etc.
Mapry Corporation	Tamba-shi, Hyogo, Japan	Development of GIS applications, etc.	297 million yen	44.42%	Affiliated corporation, etc. (Note 5)

- (Notes)
- The stated amounts are shown with amounts less than one million yen rounded down.
  - The voting rights ratios of subsidiaries, etc., held by the Company are shown with amounts rounded down to the second decimal place.
  - As of March 31, 2024, the Company has six consolidated subsidiaries, which are the significant subsidiaries above. The Company has two equity method affiliates.
  - THEMIX Green, Inc. was established in the year ended March 31, 2024 and is included in the scope of consolidation.

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5. Mapry Corporation was invested by the Company in the year ended March 31, 2024 and is newly included in the scope of application of the equity method.
6. SBI Sumishin Net Bank Card Co., Ltd., which was a subsidiary of the Company during the year ended March 31, 2024, was liquidated as of February 9, 2024.

(7) Status of Business Transfers, Etc.  
Not applicable.

(8) Other Significant Matters Concerning the Current State of the Group  
The Company relocated its head office from “6-1 Roppongi 1-chome, Minato-ku, Tokyo, Japan” to “2-1 Roppongi 3-chome, Minato-ku, Tokyo, Japan” as of April 30, 2024.

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## 2. Matters Concerning Company Officers (Directors and Auditors)

### (1) Current Status of Company Officers

(As of March 31, 2024)

Name	Current position and responsibilities	Significant concurrent positions	Other
Kenji Yamada	Chairman		
Noriaki Maruyama	President & CEO	Director, THEMIX Data, Inc. Director, THEMIX Green, Inc. Outside Director, Mapry Corporation	
Tomokazu Yokoi	Director and Managing Executive Officer, General Manager, Corporate Division	Director, Dayta Consulting Co., Ltd.	Note 1
Gen Ozaki	Director and Managing Executive Officer		
Manatomo Yoneyama	Director (Outside Director)	Managing Executive Officer, Sumitomo Mitsui Trust Holdings, Inc. Director and Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited Director, Sumitomo Mitsui Trust (Ireland) Limited Director, Japan Securities Depository Center, Incorporated	Notes 2, 7
Tomoya Asakura	Director (Outside Director)	Representative Director, President & CEO, SBI Global Asset Management Co., Ltd. Representative Director and President, Wealth Advisor Co., Ltd. Director and Senior Executive Vice President, SBI Holdings, Inc. Director, SBI Asset Management Co., Ltd. Director, SBI Asset Management Group Co., Ltd. Director, SBI Alternative Investment Management Co., Ltd. Director, SBI Insurance Group Co., Ltd. Director, SBI Regional Business Succession Investment Co., Ltd. Director, SBI NEO FINANCIAL SERVICES Co., Ltd. Director, Carret Holdings, Inc. Director, SBI Okasan Asset Management Co., Ltd. Director, Rheos Capital Works Inc. Director, SBI Smart Energy Co., Ltd. Director, SBI Alternative Asset Management Co., Ltd.	Notes 2, 8
Yukihito Machida	Director (Outside Director)	Attorney-at-law, Atsumi & Sakai	Notes 2, 6
Hitoshi Hatta	Director (Outside Director)		Notes 2, 6
Tomohisa Takeda	Director (Outside Director)	Attorney-at-law, Tomohisa Takeda Law Office	Notes 2, 6
Tamotsu Moriyama	Director (Outside Director)	President and Representative Director, Maxus Corporate Advisory Inc. Outside Director, LOGPROSTYLE GROUP INC.	Notes 2, 6

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Name	Current position and responsibilities	Significant concurrent positions	Other
Toshiro Ishizaki	Standing Auditor (Outside)		Note 3
Toshiharu Fujita	Standing Auditor (Outside)		Note 3
Mariko Hidaka	Auditor (Outside)	Representative and Certified public accountant, Hidaka Certified Public Accounting Office Outside Director, Tosoh Corporation Outside Director and Audit Committee Member, Kyokuto Boeki Kaisha	Notes 3, 4, 6
Naoyuki Iwashita	Auditor (Outside)	Professor of School of Government, Kyoto University Director, Distributed Autonomous Society Forum Counselor, the Financial Services Agency Part-time Lecturer, Osaka University Advisory Board Member/Advisor, Iyogin Holdings, Inc. Member of Financial System Counsel, the Financial Services Agency Director, LINE Mirai Foundation Visiting Professor, Research Organization of Information and Systems Advisor, International Financial City OSAKA Promotion Committee Chairman of Steering Committee, Research and development on new generation cryptography for secure wireless communication services Visiting Researcher, SBI Financial and Economic Research Institute Co., Ltd.	Notes 3, 6

- (Notes) 1. Director Tomokazu Yokoi assumed the office of Director, Deputy President, Executive Officer and General Manager of Corporate Division of the Company on April 1, 2024, after the end of the fiscal year.
2. Directors Manatomo Yoneyama, Tomoya Asakura, Yukihito Machida, Hitoshi Hatta, Tomohisa Takeda, and Tamotsu Moriyama are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
3. Auditors are all Outside Auditors as stipulated in Article 2, Item 16 of the Companies Act. Outside Auditors Toshiro Ishizaki and Toshiharu Fujita resigned as Outside Audit and Supervisory Board Members of the Company's subsidiary, SBI Sumishin Net Bank Card Co., Ltd., as of September 30, 2023.
4. Auditor Mariko Hidaka is a certified public accountant and has considerable knowledge of financial affairs and accounting.
5. The Company has introduced an Executive Officer system. As of March 31, 2024, Noriyoshi Kimura, Junichi Narita, Kazuyuki Tanahashi, Hirohisa Hattori, Tomoyuki Naomi, Tsuyoshi Fukawa, Naoya Uchikawa, Ikko Sataka, Shinichi Aikawa, Takumi Takahashi, and Ryota Okazawa were appointed as Executive Officers. Hirohisa Hattori and Tsuyoshi Fukawa resigned from their office on March 31, 2024. As of April 1, 2024, Toshiyuki Karasawa, Takahiro Terada, and Hiromi Maeda assumed the office of Executive Officer (excluding Executive Officers who concurrently serve as Directors).
6. The Company has designated Outside Directors Yukihito Machida, Hitoshi Hatta, Tomohisa Takeda and Tamotsu Moriyama, and Outside Auditors Mariko Hidaka and Naoyuki Iwashita as independent officers in accordance with the provisions of the Tokyo Stock Exchange, and has notified the Exchange of such designation.
7. Director Manatomo Yoneyama assumed the office of Managing Executive Officer, Executive Officer and CISO of Sumitomo Mitsui Trust Holdings, Inc. as of April 1, 2024.
8. Director Tomoya Asakura assumed the office of Director of SBI RHEOS HIFUMI, Inc. as of April 1, 2024.

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(2) Remuneration, etc., for Officers of the Company

1) Policies, etc., Concerning Determinations on Details of Remuneration, etc., for Officers  
Remuneration for directors and auditors of the Company is determined within the respective remuneration limits for all directors and all auditors as resolved at the General Meeting of Shareholders.

At the 16th Ordinary General Meeting of Shareholders held on June 20, 2023, the amount of remuneration for Directors was resolved to be no more than 350 million yen per year (including up to 100 million yen for Outside Directors) as monetary remuneration and remuneration for granting restricted shares. The number of Directors was ten (10) (including six (6) Outside Directors) at the conclusion of the said General Meeting of Shareholders. The number of Directors as stipulated in the Articles of Incorporation is 12 or less. The remuneration for individual Directors through the end of their term of office in June 2024 was determined at the Board of Directors meeting held on June 20, 2023, taking into the account the report from the Nomination and Compensation Committee. The Board of Directors also judged that the remuneration for individual Directors for the fiscal year ended March 31, 2024 was in line with the following policy since the remuneration for individual Directors was reviewed by the Nomination and Compensation Committee prior to said Board of Directors meeting.

At the 16th Ordinary General Meeting of Shareholders held on June 20, 2023, the amount of monetary remuneration for Auditors was resolved to be no more than 70 million yen per year (four Auditors eligible to receive remuneration). The number of Auditors was four (4) at the conclusion of the said General Meeting of Shareholders. Remuneration for each Auditor consists only of a base salary, which is fixed remuneration, and the amount to be paid to each auditor is determined through discussion between auditors within remuneration limits resolved.

2) Basic Policy for Remuneration for Officers

The “Basic policy for Remuneration for Officers” was resolved at the Board of Directors meeting on June 20, 2023 as stated below.

(Basic policy for Remuneration for Officers)

The Company determines remuneration for Officers based on the following approach.  
(Principles)

A remuneration system that continuously improves corporate value and prioritizes linkage with company performance

An appropriate remuneration structure and remuneration levels based on job responsibilities to be able to secure talented individuals who can appropriately perform business execution and supervisory roles

A fair and equitable remuneration system in which decisions are made through an objective and transparent process

[Policy on determining remuneration for Directors]

(Policy on determining each remuneration)

Fixed remuneration (cash)

- Remuneration is divided into supervisory compensation and executive compensation and paid according to the roles to be fulfilled by Directors.
- Supervisory compensation is remuneration for Directors’ supervisory activities and is set at a fixed amount according to the level of responsibility for supervisory activities.
- Executive compensation is remuneration for each Director’s business execution and is set at a fixed amount according to ranks and responsibilities, taking into account the level of contribution to business execution and the level of responsibility of each Director, based on factors such as the operating performance level of each fiscal year.
- Fixed remuneration (cash) may be switched to fixed remuneration (shares)

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depending on the responsibilities of each Director.

Fixed remuneration (shares)

- Fixed remuneration (shares) is a restricted share remuneration program, where Directors (excluding Outside Directors) are granted monetary claims to acquire common shares of the Company on which a transfer restriction period is set until their resignation. The upper limit of remuneration for Directors, including fixed remuneration (shares), is 350 million yen per year, and the maximum number of shares to be granted is 138,000 per year.
- The amount of monetary claims to be paid as fixed remuneration (shares) for each Director is determined according to the ranks and responsibilities of Directors.

Policy on determining the remuneration ratio

- The proportions of fixed remuneration (cash) and fixed remuneration (shares) are determined according to the responsibilities and ranks of Directors.

Policy on determining the timing of remuneration payment

- In principle, fixed remuneration (cash) is paid monthly, and fixed remuneration (shares) is paid annually.

Method of determining the details of remuneration for individual Directors (excluding the details above)

- The specific amount of remuneration to be paid to Directors is determined within the limit of remuneration resolved by the General Meeting of Shareholders by a resolution of the Board of Directors, after consulting with and receiving a report from the Nomination and Compensation Committee, a voluntary committee chaired by an Independent Outside Director and composed of a majority of Independent Outside Directors.

### 3) Total amounts, etc., of remuneration, etc., for the fiscal year ended March 31, 2024

(Millions of yen)

Classification	Number of persons paid	Total amount of remuneration, etc.	Total amount of remuneration, etc., by type			
			Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration as fixed remuneration	Other
Directors	8 persons	205	153	-	51	-
Auditors	4 persons	47	47	-	-	-
Total	12 persons	252	201	-	51	-

- (Notes)
- The stated amounts are shown with amounts less than one unit rounded down.
  - Remuneration, etc., for eligible Officers is fixed remuneration only, and the remuneration is not applicable to performance-linked remuneration.
  - The Company does not have an officer retirement allowance system.
  - As of March 31, 2024, the Company had ten Directors and four Auditors. The difference in the number of officers receiving the remuneration above is due to the fact that two of the Company's Directors do not receive remuneration for their roles.

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(3) Limited Liability Agreement

Name	Overview of the limited liability agreement
Manatomo Yoneyama	<p>For liability under Article 423, Paragraph 1 of the Companies Act, the Company shall bear liability for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act if a person acts in good faith and without gross negligence while performing his or her duties, and shall exempt the person from liability for the portion exceeding the amount of liability for damages.</p>
Tomoya Asakura	
Yukihito Machida	
Hitoshi Hatta	
Tomohisa Takeda	
Tamotsu Moriyama	
Toshiro Ishizaki	
Toshiharu Fujita	
Mariko Hidaka	
Naoyuki Iwashita	

(4) Indemnity Agreement  
Not applicable.

(5) Matters Concerning Liability Insurance Agreement for Officers, etc.

Scope of Insurance Agreement	Overview of Liability Insurance Agreement for Officers, etc.
Directors, Auditors and Executive Officers of the Company	<p>The Company has entered into a directors and officers liability insurance agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act covering parties listed on the left of this table as the insured persons. The insurance premiums are all paid by the Company. The insurance agreement covers compensation for damages and litigation costs in the event that the insured is sued by a third party or shareholder for damages.</p>
Directors, Auditors and Executive Officers of subsidiaries of the Company	<p>However, as a measure to ensure that the appropriate performance of duties by the insured is not impaired, damages, etc. arising from criminal acts of the insured, acts committed by the insured with the knowledge of violating laws and regulations, and the insured illegally obtaining personal benefits or favors are not covered by the insurance agreement.</p>

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### 3. Matters Concerning Outside Officers

#### (1) Current Status of Concurrent Positions of Outside Officers

Name	Current Status of Concurrent Positions of Outside Officers
Manatomo Yoneyama	Managing Executive Officer, Sumitomo Mitsui Trust Holdings, Inc. Director and Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited Director, Sumitomo Mitsui Trust (Ireland) Limited Director, Japan Securities Depository Center, Incorporated
Tomoya Asakura	Representative Director, President & CEO, SBI Global Asset Management Co., Ltd. Representative Director and President, Wealth Advisor Co., Ltd. Director and Senior Executive Vice President, SBI Holdings, Inc. Director, SBI Asset Management Co., Ltd. Director, SBI Asset Management Group Co., Ltd. Director, SBI Alternative Investment Management Co., Ltd. Director, SBI Insurance Group Co., Ltd. Director, SBI Regional Business Succession Investment Co., Ltd. Director, SBI NEO FINANCIAL SERVICES Co., Ltd. Director, Carret Holdings, Inc. Director, SBI Okasan Asset Management Co., Ltd. Director, Rheos Capital Works Inc. Director, SBI Smart Energy Co., Ltd. Director, SBI Alternative Asset Management Co., Ltd.
Yukihito Machida	Attorney-at-law, Atsumi & Sakai
Hitoshi Hatta	
Tomohisa Takeda	Attorney-at-law, Tomohisa Takeda Law Office
Tamotsu Moriyama	President and Representative Director, Maxus Corporate Advisory Inc. Outside Director, LOGPROSTYLE GROUP INC.
Toshiro Ishizaki	
Toshiharu Fujita	
Mariko Hidaka	Representative and Certified public accountant, Hidaka Certified Public Accounting Office Outside Director, Tosoh Corporation Outside Director and Audit Committee Member, Kyokuto Boeki Kaisha
Naoyuki Iwashita	Professor of School of Government, Kyoto University Director, Distributed Autonomous Society Forum Counselor, the Financial Services Agency Part-time Lecturer, Osaka University Advisory Board Member/Advisor, Iyogin Holdings, Inc. Member of Financial System Counsel, the Financial Services Agency Director, LINE Mirai Foundation Visiting Professor, Research Organization of Information and Systems Advisor, International Financial City OSAKA Promotion Committee Chairman of Steering Committee, Research and development on new generation cryptography for secure wireless communication services Visiting Researcher, SBI Financial and Economic Research Institute Co., Ltd.

- (Notes) 1. Outside Director Manatomo Yoneyama is, as of March 31, 2024, Director and Managing Executive Officer of Sumitomo Mitsui Trust Bank, Limited, one of the largest and principal shareholders of the Company, and Managing Executive Officer of Sumitomo Mitsui Trust Holdings, Inc., the wholly owning parent company of the aforementioned largest and principal shareholder of the Company. He assumed the office of Managing Executive Officer, Executive Officer and CISO of Sumitomo Mitsui Trust Holdings, Inc. as of April 1, 2024. Other than the above, he has no personal, capital, business, or other interest in the Company.
2. Outside Director Tomoya Asakura is Director and Senior Executive Vice President of SBI Holdings, Inc., one of the largest and principal shareholders of the Company, and he is also officer of several subsidiaries, etc. of SBI Holdings, Inc. He assumed the office of Director of SBI RHEOS HIFUMI, Inc. as of April 1, 2024. Other than the above, he has no personal, capital, business, or other interest in the Company.
3. Outside Auditors Toshiro Ishizaki and Toshiharu Fujita resigned as Outside Audit and Supervisory Board Members of the Company's subsidiary, SBI Sumishin Net Bank Card Co., Ltd., as of September 30, 2023. Other than the above, they have no personal, capital, business, or other interest in the Company.
4. Other than the above, there are no personal, capital, business, or other interests between the firms where Outside Directors and Outside Auditors hold concurrent positions and the Company.



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(2) Major Activities of Outside Officers

Name	Length of service	Member of Nomination and Compensation Committee	Attendance at Board of Directors meetings and Audit and Supervisory Board meetings	Current status of activities including statements at the Board of Directors meetings and the Audit and Supervisory Board meetings
Manatomo Yoneyama	3 years		18/18 Board of Directors meetings	Makes appropriate, necessary statements from a specialist perspective based on his extensive experience in finance and corporate management, drawing on his wealth of experience and accomplishments in the banking business.
Tomoya Asakura	2 years and 3 months		18/18 Board of Directors meetings	Makes appropriate, necessary statements from a specialist perspective based on his extensive experience in finance and corporate management, drawing on his broad insight and wealth of experience in corporate management.
Yukihito Machida	3 years and 3 months	Chairperson	18/18 Board of Directors meetings	Makes appropriate, necessary statements from a specialist perspective drawing on his broad insight and wealth of experience as a legal professional specializing in finance-related law (certified in Japan and New York) and having formerly worked on secondment to the Financial Services Agency.
Hitoshi Hatta	3 years and 3 months	Member	18/18 Board of Directors meetings	Makes appropriate, necessary statements regarding compliance risk management and overall business operation based on his extensive experience and knowledge of financial administration, including experience at the Financial Services Agency of Japan, as well as his experience as the officer responsible for compliance at Lifenet Insurance Company.
Tomohisa Takeda	3 years and 3 months	Member	18/18 Board of Directors meetings	Makes appropriate, necessary statements regarding the overall operation of the Company's business, particularly in the area of IT and systems, based on his extensive experience and knowledge, including system development and operation at the Bank of Japan, as well as internal management such as formulation of business plans, budgets and financial statements, and human resources.
Tamotsu Moriyama	3 years and 3 months	Member	18/18 Board of Directors meetings	Makes appropriate, necessary statements from a specialist perspective drawing on his extensive experience in finance and corporate management, based on his wealth of experience and insight as a certified public accountant (in Japan and the U.S.) and involvement in corporate restructuring at financial institutions.

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Name	Length of service	Member of Nomination and Compensation Committee	Attendance at Board of Directors meetings and Audit and Supervisory Board meetings	Current status of activities including statements at the Board of Directors meetings and the Audit and Supervisory Board meetings
Toshiro Ishizaki	3 years		18/18 Board of Directors meetings 12/12 Audit and Supervisory Board meetings	Makes appropriate, necessary statements from the perspective of ensuring the integrity of the Company's management, drawing on his experience in business operation at Sumitomo Mitsui Trust Bank, Limited, one of the largest and principal shareholders of the Company.
Toshiharu Fujita	9 years and 9 months		18/18 Board of Directors meetings 12/12 Audit and Supervisory Board meetings	Makes appropriate, necessary statements from the perspective of ensuring the integrity of the Company's management, drawing on his experience in business operation at SBI Holdings, Inc., one of the largest and principal shareholders of the Company.
Mariko Hidaka	3 years and 3 months		18/18 Board of Directors meetings 12/12 Audit and Supervisory Board meetings	As a former senior partner at Ernst & Young ShinNihon LLC, she has extensive experience and accomplishments in accounting, auditing, and corporate management support. She also possesses a wealth of knowledge and experience in diversity issues, including serving as a committee member for women's career empowerment at an auditing firm. In addition to her accounting perspective, she makes appropriate, necessary statements based on her substantial experience in finance and accounting.
Naoyuki Iwashita	3 years and 3 months		18/18 Board of Directors meetings 12/12 Audit and Supervisory Board meetings	Makes appropriate, necessary statements regarding finance and technology, drawing on his experience and insight in both finance and technology accumulated through his many years of research in financial information technology at the Bank of Japan.

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(3) Remuneration, etc., for Outside Officers

(Millions of yen)

	Number of persons paid	Remuneration, etc., from the Bank	Remuneration, etc., from the Bank's parent companies, etc.
Total remuneration, etc.	8 persons	95	-

(Notes) 1. Amounts of less than one million yen are rounded down.

2. As of March 31, 2024, the Company had six Outside Directors and four Outside Auditors. The difference in the number of outside officers receiving the remuneration above is due to the fact that two of the Company's Outside Directors do not receive remuneration for their roles.

(4) Opinions of Outside Officers  
Not applicable.

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#### 4. Status of Shares

##### (1) Number of shares

Total number of authorized shares 600,000,000 shares

Total number of issued shares 150,792,161 shares

(Note) Treasury shares of 1,639 were excluded in the calculation of total number of issued shares.

##### (2) Number of shareholders as of March 31, 2024 55,412 persons

##### (3) Major shareholders

Name	Status of investment in the Company	
	Number of shares held, etc.	Shareholding ratio
	Thousand shares	%
Sumitomo Mitsui Trust Bank, Limited	51,552	34.19%
SBI Holdings, Inc.	51,552	34.19%
Japan Securities Finance Co., Ltd.	5,610	3.72%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,823	1.21%
The Master Trust Bank of Japan ,Ltd. (trust account)	1,777	1.18%
Tomohiro Yoshida	1,139	0.76%
Akira Katayama	1,030	0.68%
MORGAN STANLEY & CO.LLC	981	0.65%
BNP PARIBAS LUXEMBOURG/2S/JASDEC SECURITIES/UCITS ASSETS	950	0.63%
Custody Bank of Japan, Ltd. (Trust Account)	880	0.58%

(Notes) 1. The number of shares, etc. less than one thousand are rounded down.

2. Treasury shares of 1,639 were excluded in the calculation of shareholding ratio.

3. The shareholding ratio is shown with amounts rounded down to second decimal place.

##### (4) Status of shares issued to company officers in exchange for their execution of duties in the fiscal year ended March 31, 2024

The Company has introduced a restricted share remuneration program to provide incentives for Directors of the Company (excluding Outside Directors) to achieve sustained enhancement of corporate value of the Company and to share more value with shareholders.

Details of the share remuneration granted during the fiscal year ended March 31, 2024 are as follows.

Eligible officers	Number of shares	Number of eligible officers
Directors (excluding Outside Directors)	42,362 shares	4 persons
Outside Directors	-	-
Auditors	-	-

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(5) Other important matters related to shares

[Acquisition of treasury shares]

In accordance with the provisions of Article 156 of the Companies Act, applicable pursuant to Article 165, Paragraph 3 of the said Act, the Company acquired 104,000 shares of treasury stock (0.07% of the total number of issued shares (excluding treasury shares)) for a total amount of 177,713,100 yen by way of market purchase through the Tokyo Stock Exchange on November 8, 2023, based on the resolution of the Board of Directors on November 7, 2023, in order to use them for the issuance of treasury shares as restricted share remuneration to Directors (excluding Outside Directors), Executive Officers who do not concurrently serve as Director, and employees.

[Disposal of treasury shares as restricted share remuneration to Directors (excluding Outside Directors) and Executive Officers who do not concurrently serve as Director]

The Company disposed of treasury shares in the restricted share remuneration program for Directors (excluding Outside Directors) and Executive Officers who do not concurrently serve as Director, which was implemented during the fiscal year ended March 31, 2024. The outline is as follows.

Purpose of disposal of treasury shares	At the 16th Ordinary General Meeting of Shareholders held on June 20, 2023, it was approved to issue or dispose of 138,000 shares or less of common stock of the Company per year by granting monetary claims of 350 million yen or less to the eligible Directors as remuneration to be used as assets contributed in kind for the acquisition of restricted shares (hereinafter "restricted share remuneration"), based on the restricted share remuneration program. The Meeting also approved that the period of transfer restriction of shares shall be from the day eligible Directors receive the allotment of shares of the Company's common stock under the restricted share allotment agreement to be concluded between the Company and the eligible Directors until immediately after they resign from all their positions of Director and Executive Officer of the Company (excluding the case of being reappointed or appointed as Director or Executive Officer at the same time as resignation; the same applies hereinafter) (if the said time is before a lapse of three months from the end of the fiscal year in which the eligible Director receives the allotted shares of common stock of the Company, the day after a lapse of three months from the end of the fiscal year in which the eligible Director receives the allotted shares of common stock of the Company shall apply). Based on the above, the Company disposed of treasury shares as restricted share remuneration to the eligible Directors. At the same time, the Company disposed of treasury shares as restricted share remuneration to Executive Officers who do not concurrently serve as Director.
Date of disposal of treasury shares	December 6, 2023
Eligible persons to whom treasury shares were issued	4 Directors (excluding Outside Directors): 42,362 shares 9 Executive Officers who do not concurrently serve as Director: 22,570 shares
Number of treasury shares disposed of	64,932 shares
Period of transfer restriction	During the period from December 6, 2023 until the time immediately after they resign from all their positions of Director and Executive Officer of the Group (excluding the case of being reappointed or appointed as Director or Executive Officer at the same time as resignation) or July 1, 2024, whichever is later.

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[Disposal of treasury shares as restricted share remuneration to employees]

The Company disposed of treasury shares as remuneration for granting restricted shares to employees of the Company during the fiscal year ended March 31, 2024. The outline is as follows.

Purpose of disposal of treasury shares	In order to provide incentives for employees to achieve sustained enhancement of corporate value of the Company and to share more value with shareholders, the Company introduced a restricted share remuneration program for employees of the Company and disposed of treasury shares.
Date of disposal of treasury shares	January 31, 2024
Eligible persons to whom treasury shares were issued	90 employees
Number of treasury shares disposed of	37,470 shares
Period of transfer restriction	From January 31, 2024 to February 1, 2026

## **5. Matters Concerning the Company's Share Acquisition Rights, etc.**

(1) The Company's share acquisition rights, etc., held by the Company's officers at the end of the fiscal year

Not applicable.

(2) The Company's share acquisition rights, etc., delivered to employees, etc., during the fiscal year

Not applicable.

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## 6. Matters Concerning the Accounting Auditor

### (1) Current status of the Accounting Auditor

(Millions of yen)

Name	Remuneration, etc., for the fiscal year	Other
KPMG AZSA LLC	65	<p>1) The Audit and Supervisory Board compared the amount with the Accounting Auditor's past remuneration, examined audit agreement proposals and quotes, etc., and as a result of considering the appropriateness of audit fee, etc., has judged the remuneration, etc., for the Accounting Auditor as appropriate, and gave consent under Article 399, Paragraph 1 of the Companies Act.</p> <p>2) The Company has consigned support services for introduction of new Basel III methodologies for measuring organization risk etc., which are services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (non- audit services) to the Accounting Auditor, and has paid consideration.</p>
<p>Satoshi Hataoka Engagement Partner, Designated Limited Liability Partner</p> <p>Shunsuke Suda Engagement Partner, Designated Limited Liability Partner</p>		

- (Notes)
1. Amounts of less than one million yen are rounded down.
  2. In the audit agreement between the Company and the Accounting Auditor, the amount of remuneration, etc., for audits based on the Companies Act and the amount of remuneration, etc., for audits based on the Financial Instruments and Exchange Act are not clearly classified, and "Remuneration, etc., for the fiscal year" is stated including remuneration for audits based on the Financial Instruments and Exchange Act.
  3. The total amount of money to be paid and other property benefits (including the above) by the Company, its subsidiaries and its subsidiary corporations, etc. is 88 million yen.

### (2) Limited liability agreement

Not applicable.

### (3) Indemnity agreement

Not applicable.

### (4) Other matters concerning the Accounting Auditor

#### Policy on determination of dismissal or non-reappointment of Accounting Auditor

In the event that the Account Auditor falls under the items set forth in the clauses of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Board of the Company will consider dismissal of the Accounting Auditor. If the dismissal is considered reasonable, the Audit and Supervisory Board dismisses the Accounting Auditor with unanimous agreement of Auditors, and report the dismissal to the General Meeting of Shareholders, together with the reasons for the dismissal based on laws and regulations.

In addition, other than the above, if reasons for impairment of the appropriateness and independence of the Accounting Auditor are to occur, and if changing the Accounting Auditor is found to be necessary, taking into consideration the status of the Account Auditor's performance of its duties and the Company's auditing system, etc., the Company's Audit and Supervisory Board will determine the content of a proposal to the General Meeting of Shareholders concerning the dismissal or non-reappointment of the Accounting Auditor.

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## 7. Basic Policy Concerning Persons Who Control Financial and Business Policy Decisions

Not applicable.

## 8. The Systems to Ensure the Appropriateness of Operations and Their Operation Status

The Company recognizes that it is important to execute business through a sound internal control system. In order to ensure the soundness and appropriateness of business and a sound internal control system under appropriate business management, the Company has established the following policies to ensure compliance (legal and regulatory compliance), customer protection and improvement of convenience and to develop and establish appropriate management systems for various risks.

- (1) System for ensuring that Directors execute their duties in accordance with laws and regulations, and the Articles of Incorporation
  - (a) The Board of Directors shall position compliance as one of the most important management issues and establish the Company's Corporate Mission Values and compliance policy that serves as a code of conduct for Directors, officers, and employees, etc., in order to execute business based on sound social norms.
  - (b) The Board of Directors shall develop a system to take a resolute attitude against anti-social forces which are a threat to the order and safety of society.
  - (c) In the event that a Director discovers a serious violation of laws and regulations or other important compliance-related facts concerning other Directors, he or she shall report it to the Auditors immediately and to the Board of Directors without delay.
- (2) System for the storage and management of information related to the execution of duties by Directors

In accordance with internal rules on document management and information security, the Board of Directors shall store and manage information in an appropriate and highly searchable state according to the medium in which it is stored and maintain accessibility for 10 years as required.
- (3) Regulations concerning the management of risk of loss and other systems
  - (a) The risks (categories) of (i) to (x) below are recognized as risks related to business execution.
    - (i) Credit risk  
Risk of losses resulting from a decrease in or impairment of the value of assets (including off-balance sheet assets) due to deterioration in the financial condition of parties to which loans and other forms of credit have been granted
    - (ii) Market risk  
Risk of losses resulting from fluctuations in the value positioned as assets/liabilities (including off-balance sheet assets/liabilities) and the earnings generated from assets/liabilities due to fluctuations in risk factors (individual factors of the risk) which belong in the market risk categories such as interest rates and exchange rates, or other asset prices
    - (iii) Liquidity risk  
Risk of difficulties in securing necessary funds due to a mismatch between the period of management and the period of funding or unexpected outflow of funds, or the risk of losses resulting from being forced to raise funds at significantly higher interest rates than usual (funding risk) and the risk of losses resulting from a situation in which it becomes impossible to conduct transactions in the market, or becomes obligatory to trade at prices that are significantly more disadvantageous than usual, due to market turmoil
    - (iv) Operational risk  
Risk of incurring losses arising from inadequate or non-functioning internal processes, human behavior, staffing or systems, or from external events (including risks v-x below)
    - (v) Administrative risk  
Risk of losses arising from Directors, officers, or employees neglecting to engage in accurate administrative work, or other incidents such as accidents or fraud
    - (vi) Information security risk  
Risk of losses arising from damage to the confidentiality, integrity, and availability of the Company's information and information systems, etc., resulting from improper



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- information management (including customer information management), system failures (including those caused by software, hardware, infrastructure and operations) and inappropriate management of system development projects, etc., including so-called system risk (risk that the Company may incur losses due to reasons such as computer system failures, malfunctions, and defects, as well as the risk that the Company may incur losses due to unauthorized computer usage, including "cyber security incidents")
- (vii) Compliance risk  
Risk of legal or regulatory penalties, financial loss or reputational loss resulting from a failure to comply with internal and external laws, regulations, social norms, and appropriate standards of business practice, including the risk of losses resulting from inability to complete a transaction due to contractual obstacles such as missing required clauses and lack of legal capacity of counterparty (legal risk)
  - (viii) Human resource risk  
Risk of losses resulting from inequity and unfairness in personnel management (issues of compensation, benefits, dismissal, etc.) and issues of harassment, etc.
  - (ix) Event risk  
Risk of losses (including property, plant and equipment) arising from emergencies such as natural disasters, war, crime, infectious diseases, etc.
  - (x) Reputational risk  
Risk of losses as a result of a deterioration of the reputation of the Company and its subsidiaries, etc. due to reasons such as media reports, rumors, or speculation, which (potentially) have a significant impact on the Company's management
- (b) As the basis of the risk management system, the Board of Directors shall establish management policies by each risk category and a policy for integrated risk management (collectively the "Risk Management Policy") that take the management policies on the whole while comparing and contrasting them with the management strength (core capital).
  - (c) In accordance with the Risk Management Policy, the Board of Directors shall complete arrangements to prevent losses and minimize the impact of unforeseen events by establishing regulations setting out arrangements for risk management, appointing management departments and officers in charge of the departments (Directors and Executive Officers), etc.
  - (d) The Board of Directors shall receive reports from the management departments on the status of risk management on a regular basis (or each time for serious matters) in order to verify the validity and adequacy of the policy and the effectiveness of the system and to review them in a timely manner and have the management departments conduct investigations, etc. as required.
  - (e) The Board of Directors shall establish an internal audit policy for the internal management systems, etc., including risk management and receive reports on results of audits from the Internal Audit Department, which is independent of the departments responsible for business execution, in a timely and appropriate manner. In addition, the Board of Directors shall be subject to external audits on the effectiveness of the risk management as required.
- (4) System for ensuring the efficient execution of duties by Directors
- (a) The Board of Directors shall establish a company-wide management policy, which is shared by all Directors, officers, and employees, work to ensure that it is disseminated, and adopt a management plan based on the management policy. In adopting the management plan, the Board of Directors shall determine company-wide profit targets as strategic goals, allocate management resources efficiently, and if necessary, allocate the amount of risk to each risk category (capital allocation).
  - (b) The Board of Directors shall stipulate a core capital management policy and establish a management system to maintain and improve the soundness of business through the enhancement of capital adequacy and the efficiency of business through the effective use of core capital.
  - (c) In order to protect customers and improve their convenience, the Board of Directors shall establish a customer protection and management policy, build a management system, provide appropriate and sufficient explanations to customers, deal with customer complaints and consultations, and manage customer information to ensure thorough

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- customer protection and management.
- (d) The Board of Directors shall receive reports on progress with regard to the management plan, including the operational plans of each department, on a regular basis, and revise the plan as necessary.
  - (e) A meeting of the Board of Directors shall be held as appropriate, in principle at least once a month, to ensure rapid decision-making and efficient execution of duties.
  - (f) The Board of Directors shall establish a Management Meeting, comprising Directors, etc. selected by the Board of Directors, as a body to deliberate and resolve on matters relating to individual business strategies, risk management and operations, etc. In addition, the Board of Directors may, by its resolution, establish each committee as an advisory body as necessary.
  - (g) The Board of Directors shall designate officers in charge of each department from among Directors and Executive Officers selected by the Board of Directors to execute business in order to clarify the responsibilities of each department and improve the efficiency of the execution of duties of Directors. In addition, the Board of Directors shall stipulate and clarify the internal organization, authorities, and responsibilities.
  - (h) The Board of Directors shall establish a department responsible for disclosure to ensure that the Company's management-related information is disclosed in a fair, timely and appropriate manner in order to gain understanding of stakeholders to execute business efficiently.
- (5) System for ensuring that employees execute their duties in accordance with laws and regulations and the Articles of Incorporation
- (a) The Board of Directors shall establish the Company's Corporate Mission Values, compliance policy and Compliance Code of Conduct, which serve as a code of conduct for Directors, officers, and employees, etc., and Directors shall repeatedly convey the spirit of those policies to directors, officers, and employees, etc. to ensure that they are fully aware of the policies.
  - (b) The Board of Directors shall establish a Compliance and Operational Risk Management Committee to consider matters relating to compliance, which is chaired by the officer in charge of the compliance management department. The Board of Directors shall receive recommendations and reports on the status of compliance implementation and operational issues from the Compliance and Operational Risk Management Committee on a regular basis (on a case-by-case basis for serious matters) and reflect them in management strategies.
  - (c) The Board of Directors shall establish a compliance management department to develop a company-wide compliance system and related regulations and provide training. In addition, compliance officers are appointed in all departments to practice compliance and provide training in each department.
  - (d) The Board of Directors shall establish a compliance hotline system in which directors, officers, and employees can report directly to the Board of Directors on any conduct that raises a doubt in terms of compliance, and the compliance management department shall report to the Board of Directors on the operation of the system on a regular basis.
  - (e) If a Director discovers a serious violation of the law or any other important compliance-related matter in the Company, he or she shall report it to Auditors immediately and to the Board of Directors without delay.
  - (f) The Board of Directors shall establish an internal audit policy relating to internal management systems, etc., including compliance, and receive reports on the results of audits in a timely and appropriate manner from the Internal Audit Department, which is independent of the departments responsible for business execution. In addition, the Board of Directors shall be subject to external audits on the effectiveness of the compliance-related management systems as required.
- (6) System for ensuring appropriate conduct of business of the Company and its subsidiaries
- (a) The Board of Directors shall take appropriate measures from the perspective of compliance, customer protection, etc., as well as from the perspective of risk management in accordance with the regulations that stipulate basic matters concerning the business operations of subsidiaries, in order to properly manage their business operations according to the scale and characteristics of their business operations.
  - (b) The Board of Directors shall establish a system for reporting and providing guidance with respect to business operations with subsidiaries in accordance with the regulations that

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- stipulate basic matters concerning business operations of subsidiaries.
- (c) The Board of Directors shall designate a department that comprehensively grasps and manages the Company's subsidiaries, as well as departments in charge of each subsidiary. In principle, General Managers of the departments in charge, etc. shall be appointed as Directors of each subsidiary and shall participate in and give guidance to the management of the subsidiaries.
  - (d) The Corporate Planning Department and the departments in charge shall monitor the status of subsidiaries and provide guidance, etc., and the relevant departments of the Company shall provide guidance, etc., as required. The Corporate Planning Department and the departments in charge shall report the status of subsidiaries to the Board of Directors and the Management Meeting on a regular basis.
  - (e) The Internal Audit Department shall conduct internal audits of subsidiaries as required within the scope of laws and regulations and shall report the results of such audits to the respective subsidiaries and the Board of Directors of the Company in a timely and appropriate manner.
  - (f) The Board of Directors shall establish a system to ensure full implementation of measures to eliminate risks from the parent business company, etc.
- (7) Matters concerning employees to assist Auditors to execute their duties  
The Company assigns employees to assist Auditors as requested by the Auditors.
- (8) Matters concerning independence of employees to assist Auditors from Directors  
In the event that employees are assigned to assist Auditors, such employees shall not be subject to the direction and orders of Directors with respect to such assistant operations, and the personnel change and treatment of such employees shall be discussed with Auditors in advance.
- (9) System for Directors and employees to report to Auditors
- (a) Directors, Executive Officers and employees shall report the (i) to (iii) below to Auditors in addition to the reporting items stipulated in the regulations of the Board of Directors.
    - (i) Immediately report any discovery of any fact that may materially harm the Company to Auditors
    - (ii) Report the status of reporting through the compliance hotline system to Auditors on a case-by-case basis
    - (iii) Report on the status of business execution, including that of subsidiaries, etc., on a regular basis or upon request of Auditors
  - (b) The Internal Audit Department shall report the results of internal audits to Auditors on a regular basis or upon their request.
  - (c) Any unfair treatment of a person who has made a report to Auditors shall be prohibited by reason of such report.
- (10) Other systems for ensuring effective auditing by Auditors
- (a) Directors, Executive Officers and employees shall cooperate in conducting audits based on the audit plan prepared by Auditors each fiscal year.
  - (b) In order to secure the appropriateness and reliability of accounting audits, the Company shall establish the following systems (i) through (v) to allow the Accounting Auditor to maintain his or her independence.
    - (i) The Accounting Auditor shall submit the audit plan to Auditors and exchange opinions with them.
    - (ii) The Accounting Auditor shall notify Auditors of the system to ensure that his or her duties are executed appropriately.
    - (iii) The appropriateness of the Accounting Auditor's remuneration shall require prior approval of Auditors.
    - (iv) The Accounting Auditor shall have a meeting and exchange opinions with Auditors on a regular basis or upon request of Auditors.
    - (v) Directors, Executive Officers and employees shall cooperate in the development and establishment of any other systems that Auditors deem necessary.
  - (c) Representative Directors shall have a meeting and exchange opinions with Auditors on a regular basis or upon request of Auditors.
  - (d) The Internal Audit Department shall have a meeting and exchange opinions with Auditors on a regular basis or upon request of Auditors.
  - (e) Auditors shall seek advice of outside experts as required.
  - (f) If an Auditor claims expenses incurred in the performance of his or her duties, such

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expenses shall be paid after deliberation at the relevant department, unless the Company certifies that such expenses are not necessary.

### **Overview of the Operation Status of the Systems to Ensure the Appropriateness of Operations**

The Company has developed the above-mentioned systems to ensure appropriate conduct of business and taken specific measures based on their basic policies. At the same time, in light of the business situation and the external environment, including revisions of laws and regulations, the Company identifies important issues of risk management and compliance, which are reported to and discussed at meetings of the Board of Directors. These key issues are periodically reviewed, taking into account the situation at that point. In addition, the progress and achievement status of the risk management plan, the status of the compliance system, and the progress and achievement status of the internal audit plan are also reported to the Board of Directors on a regular basis.

Furthermore, in addition to exchanging information with executive Directors, including Representative Directors, and various departments, Auditors of the Company conduct audits of the aforementioned systems through various methods, including attending important meetings such as the Management Meeting, councils, and the Compliance and Operational Risk Management Committee meetings, and regularly report the results of audits to the Board of Directors.

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**9. Matters Concerning Specified Wholly-Owned Subsidiaries**

Not applicable.

**10. Matters Concerning Transactions with Parent Companies, etc.**

Not applicable.

**11. Matters Concerning Accounting Advisors**

Not applicable.

**12. Other**

Not applicable.

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### Consolidated Balance Sheet

As of March 31, 2024

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Cash and due from banks	1,665,582	Deposits	9,463,139
Monetary claims bought	207,986	Cash collateral received for securities lent	145,284
Money held in trust	13,148	Borrowed money	800,000
Securities	562,510	Foreign exchanges	6,363
Loans and bills discounted	7,972,760	Other liabilities	106,975
Foreign exchanges	8,341	Provision for bonuses	920
Other assets	208,561	Provision for retirement benefits	16
Property, plant and equipment	3,210	Provision for point card certificates	1,180
Buildings, net	259	Provision for reimbursement of deposits	56
Leased assets, net	0	Reserves under special laws	9
Other, net	2,950	Deferred tax liabilities	861
Intangible assets	28,299	Liabilities	10,524,807
Software	21,507	(Net assets)	
Software in progress	4,621	Share capital	31,000
Goodwill	2,163	Capital surplus	13,633
Other	7	Retained earnings	122,430
Deferred tax assets	8,883	Treasury stock	(2)
Allowance for loan losses	(2,867)	Shareholders' equity	167,061
		Valuation difference on available-for-sale securities	(15,614)
		Deferred gains or losses on hedges	161
		Valuation and translation adjustments	(15,452)
		Net assets	151,608
Assets	10,676,416	Liabilities and net assets	10,676,416

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## Consolidated Statement of Income

From April 1, 2023 to March 31, 2024

(Millions of yen)

Description	Amount	
Ordinary income		118,572
Interest income	54,314	
Interest on loans and discounts	41,696	
Interest and dividends on securities	10,629	
Interest on call loans and bills bought	0	
Interest on deposits with banks	766	
Other interest income	1,221	
Fees and commissions	53,834	
Other ordinary income	10,270	
Other income	152	
Other	152	
Ordinary expenses		83,726
Interest expenses	10,861	
Interest on deposits	11,122	
Interest on call money and bills sold	(26)	
Interest expenses on cash collateral received for securities lent	14	
Interest on borrowings and rediscounts	(265)	
Other interest expenses	17	
Fees and commissions payments	34,033	
Other ordinary expenses	847	
General and administrative expenses	37,434	
Other expenses	548	
Provision of allowance for loan losses	435	
Other	112	
Ordinary profit (loss)		34,846
Extraordinary profit		1,537
Gain on disposal of non-current assets	7	
Gain on business transfers	1,529	
Extraordinary losses		779
Loss on disposal of non-current assets	9	
Impairment losses	598	
Provision of reserve for financial instruments transaction liabilities	0	
Other	171	
Profit (loss) before income taxes		35,604
Income taxes-current	10,487	
Income taxes-deferred	265	
Income taxes		10,752
Profit (loss)		24,851
Profit (loss) attributable to non-controlling interests		5
Profit (loss) attributable to owners of parent		24,845

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### Consolidated Statement of Changes in Net Assets

From April 1, 2023 to March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,000	13,625	98,723	-	143,349
Changes during period					
Purchase of shares of consolidated subsidiaries		8			8
Dividends of surplus			(1,130)		(1,130)
Profit attributable to owners of parent			24,845		24,845
Purchase of treasury shares				(177)	(177)
Disposal of treasury shares		(7)		174	167
Transfer from retained earnings to capital surplus		7	(7)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	8	23,707	(2)	23,712
Balance at end of period	31,000	13,633	122,430	(2)	167,061

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income		
Balance at beginning of period	(11,409)	(335)	(11,744)	87	131,691
Changes during period					
Purchase of shares of consolidated subsidiaries					8
Dividends of surplus					(1,130)
Profit attributable to owners of parent					24,845
Purchase of treasury shares					(177)
Disposal of treasury shares					167
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(4,204)	496	(3,708)	(87)	(3,795)
Total changes during period	(4,204)	496	(3,708)	(87)	19,916
Balance at end of period	(15,614)	161	(15,452)	-	151,608



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## Notes to the Consolidated Financial Statements

Amounts of less than one million Japanese yen are rounded down.

The definitions of subsidiaries, subsidiary corporations, etc., affiliated corporations, etc. are based on Article 2, Paragraph 8 of the Banking Act and Article 4-2 of the Order for Enforcement of the Banking Act.

### Policies for Preparation of Consolidated Financial Statements

#### 1. Scope of consolidation

##### (1) Consolidated subsidiaries, subsidiary corporations, etc.: 6 companies

Names of consolidated subsidiaries, subsidiary corporations, etc.

NetMove Corporation

Dayta Consulting Co., Ltd.

Yuryo Loan Co., Ltd.

THEMIX Data, Inc.

NEOBANK Services Co., Ltd.

THEMIX Green, Inc.

(Change in scope of consolidation)

SBI Sumishin Net Bank Card Co., Ltd., which was previously a consolidated subsidiary, was excluded from the scope of consolidation in the fiscal year ended March 31, 2024 because its liquidation was completed.

THEMIX Green, Inc. was newly established and included in the scope of consolidation in the fiscal year ended March 31, 2024.

##### (2) Unconsolidated subsidiaries, subsidiary corporations, etc.

Not applicable.

#### 2. Application of the equity method

##### (1) Unconsolidated subsidiaries, subsidiary corporations, etc. accounted for by the equity method

Not applicable.

##### (2) Affiliated corporations, etc. accounted for by the equity method: 2 companies

Names of affiliated corporations, etc.

JAL Payment Port Co., Ltd.

Mapry Corporation

(Change in scope of application of the equity method)

Mapry Corporation was included in the scope of application of the equity method due to the acquisition of shares of the company in the fiscal year ended March 31, 2024.

##### (3) Unconsolidated subsidiaries, subsidiary corporations, etc. that are not accounted for by the equity method

Not applicable.

##### (4) Affiliated corporations, etc. that are not accounted for by the equity method

Not applicable.

#### 3. The balance sheet dates of consolidated subsidiaries, subsidiary corporations, etc.

The balance sheet dates of the consolidated subsidiaries, subsidiary corporations, etc. are as follows.

The end of March: 6 companies

#### 4. Amortization of goodwill

Goodwill is amortized by using the straight-line method over a reasonable number of years not exceeding 20 years, based on the judgement of each individual case.

### Accounting Policies

#### 1. Standards for recognition and measurement of securities

Available-for-sale securities are stated at their quoted market prices (cost of securities sold is calculated primarily using the moving-average method), and equity securities with no quoted market price available are stated at acquisition cost computed using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities are included directly in net assets. However, with respect to available-for-sale securities denominated in foreign currencies, translation adjustments related to debt securities are treated as valuation differences related to changes in market value in foreign currencies, and other differences are treated as foreign exchange losses (gains).

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2. Standards for recognition and measurement of derivative transactions

Derivative transactions are stated at fair value.

3. Depreciation and amortization of fixed assets

(1) Property, plant and equipment (excluding leased assets)

Property, plant and equipment of the Company and its consolidated subsidiaries are mainly depreciated using the straight-line method. The estimated useful lives of major items are as follows:

Buildings: 6 to 15 years

Others: 3 to 20 years

(2) Intangible fixed assets (excluding leased assets)

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use owned by the Company and its consolidated subsidiaries is depreciated over its estimated useful life (mainly 5 to 7 years).

(3) Leased assets

Leased assets are depreciated using the straight-line method, assuming that lease terms are, in principle, their depreciation period and the residual values are zero when the lease period expires.

4. Accounting standards for allowance for loan losses

Allowance for loan losses of the Company is provided as detailed below in accordance with the internal standards for write-offs and provisions.

For claims on normal borrowers with no particular issues and those in need of special attention, as defined in the Japanese Institute of Certified Public Accountants ("JICPA") Special Committee on Audit of Banks and Other Financial Institutions Report No. 4, "Practical Guidelines for Self-assessment of Assets, Write-offs and Allowance for Loan Losses of Banks and Other Financial Institutions" (April 14, 2022), is provided based mainly on expected losses for the immediately following one-year period. Expected losses are calculated by applying a loss rate, which is obtained based on the average rate of historical credit loss experience or historical default probability experience over a certain period, which is derived from actual credit losses or actual defaults over a one-year period, with necessary adjustments for future loss projections and other factors. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy, an allowance is provided in the amount deemed necessary, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are bankrupt or those that are not legally or formally bankrupt but are regarded as substantially in the same situation, an allowance is provided based on the amount of claims, after the write-off, net of the expected amount of recoveries from collateral and guarantees.

The asset appraisal division assesses all claims in cooperation with the relevant divisions in accordance with the Company's self-assessment standards for assets.

The allowance for loan losses of consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

5. Accounting standards for provision for bonuses

Provision for bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses which are attributable to the consolidated fiscal year.

6. Accounting standards for provision for point card certificates

Provision for point card certificates is provided for the potential future redemption of points awarded to credit card members and account holders under the point programs. The amount is calculated by rationally estimating and recognizing the amount that will be redeemed in the future.

7. Accounting standards for provision for reimbursement of deposits

Provision for reimbursement of deposits which were derecognized as liabilities is provided for the possible losses on the future claims of withdrawal in the amount deemed necessary based on an estimate of losses to be incurred.

8. Accounting standards for reserves under special laws

Reserves under special laws are reserves for financial instruments transaction and provided for compensation for losses arising from accidents related to market derivative transactions for which the Company is entrusted. The amount is calculated in accordance with the provisions of Article 48-3, Paragraph 1 of the Financial Instruments and Exchange Act and Article 189 of the Cabinet Office Order on Financial Instruments Business.

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9. Accounting method for retirement benefits

Certain consolidated subsidiaries apply the simplified method for the calculation of provision for retirement benefits and retirement benefit expenses, using the amount payable at the end of the fiscal year for voluntary retirement as the retirement benefit obligation.

10. Translation of foreign currency assets and liabilities

Assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates prevailing at the consolidated balance sheet date.

11. Significant hedge accounting method

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Company mainly applies deferred edge accounting as stipulated in the JICPA Industry Committee Practical Guidelines No. 24, "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (March 17, 2022). As for the hedge to offset market fluctuation, the Company assesses the effectiveness of such hedges by classifying the hedged items such as loans and the hedging instruments such as interest rate swaps by a certain residual period. Certain other transactions that meet the requirements for special treatment, such as interest rate swaps, are accounted for by the special treatment method.

For deferred hedges for each individual transaction, the assessment of hedge effectiveness is omitted because the material terms regarding the hedged items and hedging instruments are the same.

Of the above hedge relationships, the Company has applied the exceptional treatment prescribed in the "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) for all hedge relationships included in the scope of ASBJ PITF No. 40. The details of hedging relationships to which ASBJ PITF No. 40 is applied are as follows.

Method of hedge accounting: Deferred hedge accounting is applied.

Hedging instrument: Interest rate swaps

Hedged items: Available-for-sale securities (bonds)

Type of hedging transactions: Offsetting market fluctuations

12. Accounting for non-deductible consumption taxes, etc. related to assets

Nondeductible consumption taxes, etc. related to fixed assets are recorded in other assets and amortized on a straight-line basis over 5 years.

### Significant Accounting Estimates

The items whose amounts were recorded based on accounting estimates in the consolidated financial statements for the fiscal year ended March 31, 2024, that have a potentially significant impact on the consolidated financial statements for the next fiscal year are as follows.

#### Allowance for loan losses on mortgage loans

1. The amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2024

The Group has a large loan balance of 7,972,760 million yen, of which the Company's mortgage loans account for 6,638,343 million yen, an important portion or 62% of total assets worth 10,676,416 million yen. The allowance for loan losses for such mortgage loans is 2,551 million yen (2,044 million yen for general allowance for loan losses and 506 million yen for specific allowance for loan losses), which is considered significant in accounting estimates due to its significant impact on business performance, etc.

2. Information on details of the significant accounting estimates for the identified item

(1) Calculation method

The calculation method of the allowance for loan losses for loans, including mortgage loans is described in "4. Accounting standards for allowance for loan losses" in "Accounting Policies."

(2) Significant assumption

The ratio of potential losses used to calculate the general allowance for loan losses for the Company's mortgage loans is based on the historical average of the loan loss ratio over a certain period of time, which is based on actual loan losses in the past one year. Furthermore, as necessary adjustments such as future estimations, assumptions for changes in economic trends and declines in collateral values are added to the ratio of potential losses, taking into account prices, interest rates, and other economic conditions.

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- (3) Impact on the consolidated financial statements for the next fiscal year  
The assumptions in (2) above are uncertain, and changes in the business environment, economic trends, etc. could have a significant impact on the allowance for loan losses in the consolidated financial statements for the following fiscal year.

#### Matters to Be Noted

(Notes to Consolidated Balance Sheet)

1. Total amount of shares of affiliates (excluding shares of consolidated subsidiaries, consolidated subsidiary corporations, etc.): 1,480 million yen
2. Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions were as follows. The claims are items that are recorded under the following items on the consolidated balance sheet: bonds included in "Securities" (limited to bonds for which the redemption of principal and the payment of interest in whole or in part are guaranteed, and that are issued through private placements (under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans and bills discounted, foreign exchanges, accrued interest and suspense payments included in "Other assets," and customers' liabilities for acceptances and guarantees. If security lending listed in the notes is conducted, such securities (limited to those based on loan for a use agreement or lease agreement) are also included in the claims.
 

Bankrupt and quasi-bankrupt loans:	2,539 million yen
Doubtful loans:	882 million yen
Past-due loans (3 months or more)	- million yen
Restructured loans	656 million yen
Total:	4,077 million yen

Bankrupt and quasi-bankrupt loans are claims to borrowers who have fallen into bankruptcy due to reasons such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or petition for commencement of rehabilitation proceedings, and other similar claims.

Doubtful loans are claims to borrowers who have not yet become bankrupt but whose financial condition and business performance have deteriorated and it is highly probable that the loan principal cannot be collected and interest cannot be received in accordance with the contract, excluding bankrupt and quasi-bankrupt loans.

Past due loans (3 months or more) are loans for which the payment of principal or interest has been delayed for three months or more from the day after the agreed-upon payment date, excluding bankrupt and quasi-bankrupt loans and doubtful loans.

Restructured loans are loans on which terms and conditions have been amended in favor of the borrower with the objective of assisting the borrower's financial recovery, such as by reducing or exempting interest, postponing interest payment and principal repayment, and forgiving debts, excluding bankrupt and quasi-bankrupt loans, doubtful loans, and past due loans (3 months or more).

The amounts of loans presented above are the amounts before deduction of reserve for possible loan losses.

3. Assets pledged as collateral were as follows:
 

Assets pledged as collateral:	
Securities	243,804 million yen
Loans and bills discounted	1,543,657 million yen
Liabilities corresponding to assets pledged as collateral:	
Payables under securities lending transactions	145,284 million yen
Borrowed money	800,000 million yen

Other assets include margin deposits for futures transactions of 11,544 million yen, cash collateral paid for financial instruments of 109,755 million yen, guarantee deposits of 2,955 million yen, and cash collateral paid for derivative transactions of 1,320 million yen.
4. Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was 251,055 million yen. Many of these contracts are unconditionally cancelable at any time.
5. Accumulated depreciation on property, plant and equipment (including accumulated impairment losses): 2,055 million yen

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(Notes to Consolidated Statement of Income)

1. "Other income" included 59 million yen of share of profit of entities accounted for using equity method, 35 million yen of dividends from group credit life insurance, and 17 million yen of income from deposits.
2. "Other extraordinary losses" included 171 million yen of the payment for the mid-term cancellation of the system utilization contract, etc.

(Notes to Consolidated Statements of Changes in Net Assets)

1. Information on the type and number of issued shares and treasury stock

(Thousands of shares)

	Number of shares as of beginning of the fiscal year	Number of shares increased	Number of shares decreased	Number of shares as of end of the fiscal year	Remarks
Issued shares					
Common stock	150,793	-	-	150,793	
Total	150,793	-	-	150,793	
Treasury stock					
Common stock	-	104	102	1	(Notes 1, 2)
Total	-	104	102	1	

(Notes) 1. The increase of 104 thousand shares in the number of treasury stock was due to the acquisition of 104 thousand shares of treasury stock by resolution of the Board of Directors on November 7, 2023 and the purchase of 0 thousand shares less than one unit of stock in response to purchase requests made by shareholders.

2. The decrease in the number of treasury stock was due to the disposal of treasury stock as remuneration for granting restricted shares.

2. Information on stock acquisition rights and treasury stock acquisition rights  
Not applicable.

3. Information on dividends

(1) Dividends paid in the fiscal year ended March 31, 2024

(Date of resolution)	Type of shares	Total cash dividends	Cash dividends per share	Record date	Effective date
Meeting of the Board of Directors on November 7, 2023	Common stock	1,130 million yen	7.50 yen	September 30, 2023	December 1, 2023

(2) Dividends the record date for which fell within the fiscal year and the effective date of which was after the fiscal year ended

(Scheduled date of resolution)	Type of shares	Source of dividends	Total cash dividends	Cash dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 18, 2024	Common stock	Retained earnings	1,357 million yen	9.00 yen	March 31, 2024	June 19, 2024

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(Notes to Financial Instruments)

1. Status of financial instruments

(1) Policies on financial instruments

The Group, as an Internet-only bank, provides a variety of products and services through easy and speedy procedures, including Japanese yen and foreign currency deposits that emphasize marketability and real-time performance, and loans that are primarily non-face-to-face such as mortgage loans and card loans, as well as investments in securities and other assets. These services entail holding financial assets and liabilities that mainly involve fluctuations in interest rates. Therefore, the Group conducts comprehensive asset and liability management ("ALM") to ensure the fluctuations in interest rates do not have an unfavorable impact on the Group's financial assets and liabilities. In addition, as part of ALM, the Group engages in derivative transactions.

(2) Details of financial instruments and associated risks

The main financial assets held by the Group include loans and securities, and are exposed to credit risk arising from defaults on contracts by customers, issuers, and other parties.

Loans and bills discounted consist primarily of mortgage loans. Changes in the economic environment or other conditions may cause borrowers to fail to fulfill their obligations in accordance with the terms of their contracts.

Securities, which are mainly bonds such as government bonds, local government bonds and corporate bonds, are held and classified as available-for-sale securities. They are exposed to credit risk of the issuer, interest rate fluctuation risk, and market price fluctuation risk, respectively, unexpectedly large market or interest rate fluctuations could have a negative impact on the Group's performance and financial position.

Securities include foreign bonds, which are relatively illiquid.

Derivative transactions include forward exchange contracts that are used as a cover deal for customer transactions, currency options, and interest rate options. As part of ALM, the Company uses interest rate swaps as a means of hedging against interest rate fluctuation risks associated with assets and liabilities and applies hedge accounting.

(3) Risk management framework for financial instruments

1) Management of credit risk

In accordance with the Company's regulations related to credit risk management, the Group has established and operates a system for credit management, including individual credit screenings, credit limits, credit information management, setting of guarantees and collateral, and responses to non-performing loans. These credit management operations are carried out by each business unit and credit screening division while the risk management division executes monitoring and reports to the Board of Directors and other relevant parties on a regular basis.

2) Management of market risk

(i) Management of interest rate risk

The Group manages interest rate fluctuation risk through ALM. The regulations on ALM specify detailed risk management methods, procedures, etc. Based on the ALM policy determined by the Board of Directors, divisions executing transactions conduct derivative transactions related to securities, currency, and interest rates.

The status of interest rates

The risk management division comprehensively monitors the status of interest rates and term distribution of financial assets and liabilities, including these transactions, on a daily basis, and monitors compliance with regulations through analysis of market risk volume risk (value at risk, "VaR"), gap analysis, and analysis of interest rate sensitivity, etc. and reports regularly to the Board of Directors and other relevant parties.

(ii) Management of price fluctuation risk

The risk management division monitors price fluctuation risk of investment instruments, including securities, and reports regularly to the Board of Directors and other relevant parties.

(iii) Management of foreign exchange risk

The Group conducts a cover deal through foreign exchange transactions for each individual transaction to manage foreign exchange fluctuation risk. The risk management division monitors foreign exchange fluctuation risk and reports regularly to the Board of Directors and other relevant parties.

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(iv) Derivative transactions  
Risk management for derivative transactions is conducted in accordance with the Company's regulations related to market risk management, while establishing a system of mutual checks and balances by separating the execution of transactions, evaluation of hedge effectiveness, and administrative control functions.

(v) Quantitative information on market risks  
Market risk is the "risk of incurring losses due to changes in the value of assets and liabilities caused by fluctuations in interest rates, stock prices, and exchange rates." To manage market risk, the Company uses VaR (estimated loss), which is calculated using the variance-covariance method (holding period: 21 days, confidence interval: 99%, observation period: 1 year (260 business days)).  
As of the end of the fiscal year ended March 31, 2024, the Group's overall VaR was 16,317 million yen.  
The Group has a system in place to verify the reliability and effectiveness of the risk measurement model by conducting back-testing to compare the VaR calculated by the model with actual profit and loss.  
However, VaR measures the amount of market risk at a certain probability of occurrence statistically calculated based on past market fluctuations, and may not capture risks under circumstance in which market conditions change so drastically as to be unthinkable under normal circumstance.

3) Management of liquidity risk

The Group manages liquidity risk by managing group-wide funds in a timely manner through ALM, as well as by diversifying funding instruments and adjusting the balance between long- and short-term funding in consideration of market conditions.

(4) Supplementary explanations about matters concerning fair value of financial instruments

Fair values of financial instruments have been calculated using certain assumptions, and may differ if calculated based on different assumptions.

2. Matters concerning fair value of financial instruments

The amounts on the consolidated balance sheet, the fair value, and the difference between them as of March 31, 2024 are as follows. The amounts shown in the following tables do not include shares with no market price, etc. (refer to (Note 1)). Cash and due from banks, foreign exchange (assets and liabilities), and cash collateral received for securities lent are not included in the following tables since they are short-term, and their fair values approximate their carrying amounts.

(Millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Monetary claims bought (*1)	207,933	207,948	15
(2) Securities			
Available-for-sale securities	560,928	560,928	–
(3) Loans and bills discounted	7,972,760		
Allowance for loan losses (*1)	(2,804)		
	7,969,955	7,967,682	(2,273)
Total assets	8,738,817	8,736,559	(2,258)
(1) Deposits	9,463,139	9,463,291	151
(2) Borrowed money (*4)	800,000	797,957	(2,042)
Total liabilities	10,263,139	10,261,249	(1,890)
Derivative transactions (*2)			
Derivative transactions for which hedge accounting is not applied	11	11	–
Derivative transactions for which hedge accounting is applied (*3, 4)	203	203	–
Total derivative transactions	215	215	–

(Notes) 1. General allowance for loan losses and special allowance corresponding to loans are deducted. The allowance for loan losses on "Monetary claims bought" is deducted directly from the consolidated balance sheet amount since it is immaterial.

2. The amounts collectively represent the derivative transactions which are recorded in "Other assets" and "Other liabilities." Debts and credits arising from derivative transactions are presented on a net basis, with a net debt presented in round brackets.

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3. Transactions to which hedge accounting is applied include interest rate swap transactions designated as hedging instruments for the purpose of offsetting market fluctuations in available-for-sale securities (bonds). Deferred hedge accounting is applied to these transactions. "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) is applied to these hedge relationships.
4. For those for which the special treatment of interest rate swaps is applied to offset market fluctuations of hedged items, the fair value of the interest rate swaps as hedging instruments is included in the fair value of the hedged items.

(Note) Consolidated balance sheet amount of shares with no market prices, etc. and investments in partnership are as follows, and are not included in "(2) Securities of Assets" in the information on fair value of financial instruments.

Category	(Millions of yen) Amounts on consolidated balance sheet
Unlisted shares (*1)	1,481
Investments in partnership (*2)	100

- (Notes)
1. Unlisted shares are not subject to fair value disclosure in accordance with Paragraph 5 of ASBJ Guidance No. 19 "Implementation Guidance on Disclosures about Fair Value Financial Instruments" (March 31, 2020).
  2. Investments in partnership are not subject to fair value disclosure in accordance with Paragraph 24-16 of ASBJ Guidance No. 31 "Implementation Guidance on Accounting Standard for Fair Value Measurement" (June 17, 2021).

### 3. Matters concerning fair value of financial instruments and breakdown by input level

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

- Level 1: Fair value determined based on quoted prices in an active market for the asset or liability for which such fair value is calculated among the observable inputs related to the calculation of fair value
- Level 2: Fair value determined based on observable inputs other than Level 1 inputs among the observable inputs related to the calculation of fair value
- Level 3: Fair value determined based on unobservable inputs related to the calculation of fair value

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified to the lowest priority level of fair value measurement in which each input belongs.



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- (1) Financial instruments measured at fair value on the consolidated balance sheet  
(As of March 31, 2024)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought (*1)	–	66,450	–	66,450
Securities				
Available-for-sale securities	252,404	308,524	–	560,928
Government bonds, local government bonds, etc.	180,887	15,820	–	196,707
Corporate bonds	–	67,416	–	67,416
Other securities	71,516	225,288	–	296,804
Derivative transactions				
Interest rate derivatives	–	11,875	–	11,875
Currency derivatives	–	419	–	419
Total assets	252,404	387,269	–	639,674
Derivative transactions				
Interest rate derivatives (*2)	–	11,696	–	11,696
Currency derivatives	–	383	–	383
Total liabilities	–	12,079	–	12,079

- (Notes) 1. Monetary claims bought consist of securitized products, etc. of 66,450 million yen accounted for in the same manner as available-for-securities.  
2. For those for which the special treatment of interest rate swaps is applied to offset market fluctuations of hedged items, the fair value of the interest rate swaps as hedging instruments is included in the fair value of the hedged items.

- (2) Financial instruments other than those measured at fair value on the consolidated balance sheet  
(As of March 31, 2024)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	–	–	141,498	141,498
Loans and bills discounted	–	–	7,967,682	7,967,682
Total assets	–	–	8,109,180	8,109,180
Deposits	–	9,463,291	–	9,463,291
Borrowed money (*)	–	797,957	–	797,957
Total liabilities	–	10,261,249	–	10,261,249

- (Note) For those for which the special treatment of interest rate swaps is applied to offset market fluctuations of hedged items, the fair value of the interest rate swaps as hedging instruments is included in the fair value of the hedged items.

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(Note) Description of the valuation techniques and inputs used to measure fair value

#### Assets

##### Monetary claims bought

Out of monetary claims bought, securitized products, etc. are based on prices quoted by correspondent financial institutions and are classified as Level 2 based on inputs used for the prices of obtained loans. The fair values of other transactions are, in principle, based on methods similar to the methods applied to "Loans and bills discounted." These transactions are classified into Level 3.

##### Securities

Securities for which unadjusted quoted prices in an active market are available are classified into Level 1. Japanese Government bonds are mainly classified into Level 1.

Securities for which published quoted prices are available the market is not active are classified into Level 2. Local government bonds and corporate bonds are mainly classified into Level 2. The fair value of short-term corporate bonds is valued using a discounted cash flow methodology of future cash flows. The valuation is based on the maximum use of observable inputs, which include market interest rates. If significant unobservable inputs are used in the valuation, the securities are classified into Level 3; otherwise, the securities are classified into Level 2. For other securities, the fair values are the prices quoted by the financial institutions, etc. from which these securities are purchased. If significant unobservable inputs are used in the valuation, the securities are classified into Level 3; otherwise, the securities are classified into Level 2.

##### Loans and bills discounted

With respect to loans, for each category of loans based on their types, credit ratings and maturity periods, the fair values are determined by discounting the total amount of principle and interest by the interest rate that would be applicable to a similar new loan. For loans with floating interest rates, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the market interest rates are reflected in such deposits within a short time period, unless the creditworthiness of the borrower has changed significantly since the loan origination. For receivables from bankrupt, virtually bankrupt and likely to become bankrupt borrowers, credit loss is estimated based on factors such as the present value of expected future cash flows or the amount expected to be collected from collateral and guarantees. Since the fair value of these items approximates the net amount of receivables after the deduction of allowance for credit losses on the consolidated balance sheet as of the consolidated balance sheet date, such amount is presented as the fair value.

For loans that do not have specified repayment dates due to their characteristics such as limiting such loans to the scope of collateral assets, the book value is used as the fair value because the fair value is assumed to approximate the book value based on the expected repayment period and interest rate terms and conditions, etc. The fair value of these receivables is classified into Level 3.

#### Liabilities

##### Deposits

For demand deposits, the amount payable on demand as of the consolidated balance sheet date is considered to be the fair value. For time deposits, the fair value is determined based on the present value of future cash flows discounted by a certain period of time. The discount rate used is the interest rate used for new deposits. For those with short deposit terms (one year or less), their book value is used as fair value because fair value approximates the book value. The fair value of these deposits is classified into Level 2.

##### Borrowed money

The present value of borrowings is calculated by discounting the total principal and interest of such borrowings, grouped by certain maturity periods, by the interest rate assumed for similar borrowings. Such fair value is classified into Level 3 if the impact of unobservable inputs on the fair value is significant, otherwise it is classified into Level 2. For borrowings for which the special treatment of interest rate swaps is applied to offset market fluctuations of hedged items, the fair value of the interest rate swaps as hedging instruments is included in the fair value of the hedged items.

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#### Derivative transactions

Derivative transactions for which unadjusted quoted prices in an active market are available are classified into Level 1, which mainly includes bond futures transactions and interest rate futures transactions.

However, since most derivatives are over-the-counter transactions and no published quoted prices are available, their fair values are calculated using valuation techniques such as present value techniques depending on the type of transaction and the maturity period. The main inputs used in those valuation techniques include interest rates, exchange rates, and volatility. When unobservable inputs are not used or their effect is not significant, the fair value is classified into Level 2, which includes plain vanilla interest rate swap transactions and foreign exchange forward contracts.

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(Notes to Securities)

In addition to "Securities" on the consolidated balance sheet, the following tables include beneficial interests in loan receivables trust and others in "Monetary claims bought."

1. Available-for-sale securities (as of March 31, 2024)

(Millions of yen)

	Type of securities	Amount on consolidated balance sheet	Acquisition cost	Difference
Securities whose fair value exceeds the acquisition cost	Bonds	10,056	9,884	172
	Government bonds	4,597	4,482	114
	Local government bonds	960	902	57
	Short-term corporate bonds	4,499	4,499	0
	Corporate bonds	–	–	–
	Other securities	64,476	64,127	348
	Foreign bonds	58,532	58,196	336
	Other	5,943	5,930	12
	Subtotal	74,532	74,011	521
Securities whose fair value does not exceed the acquisition cost	Bonds	254,067	267,567	(13,499)
	Government bonds	176,290	186,041	(9,750)
	Local government bonds	14,859	15,134	(274)
	Short-term corporate bonds	8,999	8,999	(0)
	Corporate bonds	53,917	57,392	(3,474)
	Other securities	298,779	308,305	(9,526)
	Foreign bonds	237,435	245,669	(8,234)
	Other	61,344	62,636	(1,292)
	Subtotal	552,846	575,873	(23,026)
Total	627,379	649,884	(22,505)	

2. Available-for-sale securities sold during the fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

Type of securities	Amount sold	Gain on sale	Loss on sale
Bonds	66,092	468	–
Government bonds	66,092	468	–
Local government bonds	–	–	–
Short-term corporate bonds	–	–	–
Corporate bonds	–	–	–
Other securities	81,959	793	–
Foreign bonds	81,959	793	–
Other	–	–	–
Total	148,051	1,261	–

(Notes to Money Held in Trust)

Money held in trust not for trading purposes or being held to maturity (as of March 31, 2024)

(Millions of yen)

	Amount on the consolidated balance sheet	Acquisition cost	Difference	Money held in trust whose fair value exceeds the acquisition cost	Money held in trust whose fair value does not exceed the acquisition cost
Money held in trust not for trading purposes or being held to maturity	13,148	13,148	–	–	–

(Notes) 1. As of the end of the fiscal year ended March 31, 2024, there were no securities with market prices, etc. included in the components of trust property.

2. "Money held in trust with respect to "Money held in trust whose fair value exceeds the acquisition cost" and

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"Money held in trust whose fair value does not exceed the acquisition cost" show the breakdown of "Difference" respectively.

(Notes to Revenue Recognition)

1. Information on breakdown of revenues from contracts with customers

(Millions of yen)

Category	For the fiscal year ended March 31, 2024
Ordinary income	118,572
Fees and commissions	53,834
Remittances and transfers	3,437
Mortgage loans	35,594
Others	14,801

(Note) Income based on "Accounting Standard for Financial Instrument" (ASBJ Statement No. 10) is also included in the table above.

2. Fundamental information to understand income

The description is omitted due to lack of materiality.

3. Information to understand the amount of income in the current and subsequent fiscal years

The description is omitted due to lack of materiality.

(Notes to Per Share Data)

Net assets per share:

1,005.41 yen

Profit per share attributable to owners of parent:

164.78 yen

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### Non-consolidated Balance Sheet

As of March 31, 2024

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Cash and due from banks	1,662,675	Deposits	9,465,829
Due from banks	1,662,675	Ordinary deposits	7,197,169
Monetary claims bought	203,082	Time deposits	1,938,492
Money held in trust	13,148	Other deposits	330,167
Securities	571,806	Cash collateral received for securities lent	145,284
Government bonds	180,887	Borrowed money	800,000
Local government bonds	15,820	Borrowings from other banks	800,000
Short-term corporate bonds	13,498	Foreign exchanges	6,363
Corporate bonds	53,917	Foreign bills payable	6,363
Stocks-assets	10,778	Other liabilities	104,653
Other securities	296,904	Domestic exchange settlement account, credit	37,393
	7,978,762	Income taxes payable	5,712
Loans and bills discounted		Accrued expenses	4,630
Loans on deeds	7,862,116	Unearned revenue	333
Overdrafts	116,646	Margin deposits received for futures transactions	21,619
Foreign exchanges	8,341	Financial derivatives	12,079
Due from foreign banks (our accounts)	8,341	Other	22,882
Other assets	201,486	Provision for bonuses	835
Domestic exchange settlement account, debit	42,732	Provision for point card certificates	1,180
Prepaid expenses	1,980	Provision for reimbursement of deposits	56
Accrued revenue	10,026	Reserves under special laws	9
Margin deposits for futures transactions	11,544	Reserve for financial instruments transaction	9
Financial derivatives	12,294	Liabilities	10,524,213
Cash collateral paid for financial instruments	109,755	(Net assets)	
Other	13,152	Share capital	31,000
Property, plant and equipment	3,048	Capital surplus	13,625
Buildings, net	265	Legal capital surplus	13,625
Other, net	2,783	Retained earnings	120,757
Intangible assets	25,882	Legal retained earnings	6,226
Software	21,358	Other retained earnings	114,531
Software in progress	4,517	Retained earnings brought forward	114,531
Other	5	Treasury stock	(2)
Deferred tax assets	8,765	Shareholders' equity	165,380
Allowance for loan losses	(2,858)	Valuation difference on available-for-sale securities	(15,614)
		Deferred gains or losses on hedges	161
		Valuation and translation adjustments	(15,452)
		Net assets	149,928
Assets	10,674,141	Liabilities and net assets	10,674,141

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## Non-consolidated Statement of Income

From April 1, 2023 to March 31, 2024

(Millions of yen)

Description	Amount	
Ordinary income		114,544
Interest income	55,647	
Interest on loans and discounts	41,571	
Interest and dividends on securities	12,060	
Interest on call loans	0	
Interest on deposits with banks	766	
Interest incomes on interest rate swaps	293	
Other interest income	954	
Fees and commissions	50,885	
Fees and commissions on domestic and foreign exchanges	3,437	
Other fees and commissions	47,447	
Other ordinary income	7,957	
Gain on foreign exchange transactions	3,685	
Gain on sale of bonds	1,261	
Gain on financial derivatives	2,492	
Other	517	
Other income	54	
Other	54	
Ordinary expenses		80,938
Interest expenses	10,847	
Interest on deposits	11,122	
Interest on call money	(26)	
Interest expenses on cash collateral received for securities lent	14	
Interest on borrowings and rediscounts	(265)	
Other interest expenses	2	
Fees and commissions payments	33,842	
Fees and commissions on domestic and foreign exchanges	2,684	
Other fees and commissions	31,157	
Other ordinary expenses	335	
Other	335	
General and administrative expenses	35,005	
Other expenses	907	
Provision of allowance for loan losses	326	
Written-off of loans	0	
Loss on devaluation of equity securities	486	
Loss on money held in trust	9	
Other	84	
Ordinary profit (loss)		33,605
Extraordinary losses		376
Loss on disposal of non-current assets	0	
Impairment losses	374	
Provision of reserve for financial instruments transaction liabilities	0	
Profit (loss) before income taxes		33,229
Income taxes-current	9,590	
Income taxes-deferred	(145)	
Income taxes		9,444
Profit (loss)		23,784

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### Non-consolidated Statement of Changes in Net Assets

From April 1, 2023 to March 31, 2024

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at beginning of period	31,000	13,625	–	13,625	6,000	92,111	98,111	–	142,737
Changes during period									
Dividends of surplus					226	(1,357)	(1,130)		(1,130)
Profit						23,784	23,784		23,784
Purchase of treasury shares								(177)	(177)
Disposal of treasury shares			(7)	(7)				174	167
Transfer from retained earnings to capital surplus			7	7		(7)	(7)		–
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	226	22,420	22,646	(2)	22,643
Balance at end of period	31,000	13,625	–	13,625	6,226	114,531	120,757	(2)	165,380

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(11,409)	(335)	(11,744)	130,992
Changes during period				
Dividends of surplus				(1,130)
Profit				23,784
Purchase of treasury shares				(177)
Disposal of treasury shares				167
Transfer from retained earnings to capital surplus				–
Net changes in items other than shareholders' equity	(4,204)	496	(3,708)	(3,708)
Total changes during period	(4,204)	496	(3,708)	18,935
Balance at end of period	(15,614)	161	(15,452)	149,928



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## Notes to the Non-consolidated Financial Statements

Amounts less than one million Japanese yen have been rounded down.

### Significant Accounting Policies

1. Standards for recognition and measurement of securities

As for the measurement of securities, investment in subsidiaries, subsidiary corporations, etc. and affiliated corporations, etc. are stated at cost using the moving-average method, and other securities are carried at fair value (cost of securities sold is calculated primarily using the moving-average method). Shares with no market prices are stated at cost using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities are included directly in net assets. However, with respect to available-for-sale securities denominated in foreign currencies, translation adjustments related to debt securities are treated as valuation differences related to changes in market value in foreign currencies, and other differences are treated as foreign exchange losses (gains).
2. Standards for recognition and measurement of derivative transactions

Derivative transactions are stated at fair value.
3. Depreciation and amortization of fixed assets
  - (1) Property, plant and equipment (excluding leased assets)

Property, plant and equipment are mainly depreciated using the straight-line method. The estimated useful lives of major items are as follows:

Buildings:	6 to 15 years
Others:	3 to 20 years
  - (2) Intangible fixed assets

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use is depreciated over its estimated useful life (mainly 5 to 7 years).
4. Translation of foreign currency assets and liabilities

Assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates prevailing at the balance sheet date.
5. Accounting standards for allowance
  - (1) Allowance for loan losses

Allowance for loan losses of the Company is provided as detailed below in accordance with the internal standards for write-offs and provisions.

For claims on normal borrowers with no particular issues and those in need of special attention, as defined in the Japanese Institute of Certified Public Accountants ("JICPA") Special Committee on Audit of Banks and Other Financial Institutions Report No. 4, "Practical Guidelines for Self-assessment of Assets, Write-offs and Allowance for Loan Losses of Banks and Other Financial Institutions" (April 14, 2022), is provided based mainly on expected losses for the immediately following one-year period. Expected losses are calculated by applying a loss rate, which is obtained based on the average rate of historical credit loss experience or historical default probability experience over a certain period, which is derived from actual credit losses or actual defaults over a one-year period, with necessary adjustments for future loss projections and other factors. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy, an allowance is provided in the amount deemed necessary, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are bankrupt or those that are not legally or formally bankrupt but are regarded as substantially in the same situation, an allowance is provided based on the amount of claims, after the write-off, net of the expected amount of recoveries from collateral and guarantees.

The asset appraisal division assesses all claims in cooperation with the relevant divisions in accordance with the Company's self-assessment standards for assets.
  - (2) Provision for bonuses

Provision for bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses which are attributable to the fiscal year.
  - (3) Provision for point card certificates

Provision for point card certificates is provided for the potential future redemption of points

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awarded to credit card members and account holders under the point programs. The amount is calculated by rationally estimating and recognizing the amount that will be redeemed in the future.

(4) Provision for reimbursement of deposits

Provision for reimbursement of deposits which were derecognized as liabilities is provided for the possible losses on the future claims of withdrawal in the amount deemed necessary based on an estimate of losses to be incurred.

(5) Reserve for financial instruments transaction

Reserve for financial instruments transaction is provided for compensation for losses arising from accidents related to market derivative transactions for which the Company is entrusted. The amount is calculated in accordance with the provisions of Article 48-3, Paragraph 1 of the Financial Instruments and Exchange Act and Article 189 of the Cabinet Office Order on Financial Instruments Business.

6. Hedge accounting method

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Company mainly applies deferred edge accounting as stipulated in the JICPA Industry Committee Practical Guidelines No. 24, "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (March 17, 2022). As for the hedge to offset market fluctuation, the Company assesses the effectiveness of such hedges by classifying the hedged items such as loans and the hedging instruments such as interest rate swaps by a certain residual period. Certain other transactions that meet the requirements for special treatment, such as interest rate swaps, are accounted for by the special treatment method.

For deferred hedges for each individual transaction, the assessment of hedge effectiveness is omitted because the material terms regarding the hedged items and hedging instruments are the same.

7. Accounting for non-deductible consumption taxes, etc. related to assets

Nondeductible consumption taxes, etc. related to fixed assets are recorded in prepaid expenses and amortized on a straight-line basis over 5 years.

Significant Accounting Estimates

The items whose amounts were recorded based on accounting estimates in the non-consolidated financial statements for the fiscal year ended March 31, 2024, that have a potentially significant impact on the non-consolidated financial statements for the next fiscal year are as follows.

Allowance for loan losses on mortgage loans

1. The amount recorded in the non-consolidated financial statements for the fiscal year ended March 31, 2024

The Company has a large loan balance of 7,978,762 million yen, of which the Company's mortgage loans account for 6,638,343 million yen, an important portion or 62% of total assets worth 10,674,141 million yen. The allowance for loan losses for such mortgage loans is 2,551 million yen (2,044 million yen for general allowance for loan losses and 506 million yen for specific allowance for loan losses), which is considered significant in accounting estimates due to its significant impact on business performance, etc.

2. Information on details of the significant accounting estimates for the identified item

(1) Calculation method

The calculation method of the allowance for loan losses for loans, including mortgage loans is described in "(1) Allowance for loan losses" of "5. Accounting standards for allowance" in "Significant Accounting Policies."

(2) Significant assumption

The ratio of potential losses used to calculate the general allowance for loan losses for the Company's mortgage loans is based on the historical average of the loan loss ratio over a certain period of time, which is based on actual loan losses in the past one year. Furthermore, as necessary adjustments such as future estimations, assumptions for changes in economic trends and declines in collateral values are added to the ratio of potential losses, taking into account prices, interest rates, and other economic conditions.

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(3) Impact on the non-consolidated financial statements for the next fiscal year

The assumptions in (2) above are uncertain, and changes in the business environment, economic trends, etc. could have a significant impact on the allowance for loan losses in the non-consolidated financial statements for the following fiscal year.

Matters to Be Noted

(Notes to Non-consolidated Balance Sheet)

- |   |                    |
|---|--------------------|
| 1. Total amount of shares of affiliates:  | 10,777 million yen |
| 2. Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions were as follows. The claims are items that are recorded under the following items on the non-consolidated balance sheet: bonds included in "Securities" (limited to bonds for which the redemption of principal and the payment of interest in whole or in part are guaranteed, and that are issued through private placements (under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans and bills discounted, foreign exchanges, accrued interest and suspense payments included in "Other assets," and customers' liabilities for acceptances and guarantees. If security lending listed in the notes is conducted, such securities (limited to those based on loan for a use agreement or lease agreement) are also included in the claims. |                    |
| Bankrupt and quasi-bankrupt loans:  | 2,464 million yen  |
| Doubtful loans:   | 809 million yen    |
| Past-due loans (3 months or more)   | - million yen      |
| Restructured loans  | 656 million yen    |
| Total:  | 3,929 million yen  |

Bankrupt and quasi-bankrupt loans are claims to borrowers who have fallen into bankruptcy due to reasons such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or petition for commencement of rehabilitation proceedings, and other similar claims.

Doubtful loans are claims to borrowers who have not yet become bankrupt but whose financial condition and business performance have deteriorated and it is highly probable that the loan principal cannot be collected and interest cannot be received in accordance with the contract, excluding bankrupt and quasi-bankrupt loans.

Past due loans (3 months or more) are loans for which the payment of principal or interest has been delayed for three months or more from the day after the agreed-upon payment date, excluding bankrupt and quasi-bankrupt loans and doubtful loans.

Restructured loans are loans on which terms and conditions have been amended in favor of the borrower with the objective of assisting the borrower's financial recovery, such as by reducing or exempting interest, postponing interest payment and principal repayment, and forgiving debts, excluding bankrupt and quasi-bankrupt loans, doubtful loans, and past due loans (3 months or more).

The amounts of loans presented above are the amounts before deduction of reserve for possible loan losses.

3. Assets pledged as collateral were as follows:

Assets pledged as collateral:	
Securities	243,804 million yen
Loans and bills discounted	1,543,657 million yen
Liabilities corresponding to assets pledged as collateral:	
Payables under securities lending transactions	145,284 million yen
Borrowed money	800,000 million yen

Other assets include guarantee deposits of 2,922 million yen, and cash collateral paid for derivative transactions of 1,320 million yen.

- |  |                    |
|--|--------------------|
| 4. Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was 297,955 million yen. Many of these contracts are unconditionally cancelable at any time. |                    |
| 5. Accumulated depreciation on property, plant and equipment (including accumulated impairment losses):  | 1,862 million yen  |
| 6. Total monetary claims to affiliates:  | 58,667 million yen |
| 7. Total monetary debts to affiliates:   | 18,871 million yen |
| 8. The Company is subject to restrictions on the distribution of surplus in accordance with provisions of Article 18 of the Banking Act.   |                    |

In the event of distribution of surplus, notwithstanding of the provisions of Article 445, Paragraph 4

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(Amounts of Stated Capital and Amounts of Reserves) of the Companies Act, the Company records an amount obtained by multiplying the amount of surplus to be reduced by the payment of relevant dividends of surplus by one-fifth as legal capital surplus or legal retained earnings.

The amount of legal retained earnings related to such distribution of surplus in the fiscal year ended March 31, 2024 was 226 million yen.

(Notes to Non-consolidated Statement of Income)

1. Income from transactions with affiliates	
Total income from fund management transactions:	1,578 million yen
Total income from fees and commissions:	1,019 million yen
Total income from other transactions and other ordinary transactions:	1,177 million yen
2. Expenses from transactions with affiliates	
Total expenses arising from fund management transactions:	1,929 million yen
Total fees and commissions payments:	530 million yen
Total expenses arising from other transactions and other ordinary transactions:	2,841 million yen

(Notes to Non-consolidated Statement of Changes in Net Assets)

1. Type and number of treasury stock

(Thousands of shares)

	Number of shares as of beginning of the fiscal year	Number of shares increased	Number of shares decreased	Number of shares as of end of the fiscal year	Remarks
Treasury stock					
Common stock	-	104	102	1	(Notes 1, 2)
Total	-	104	102	1	

(Notes) 1. The increase of 104 thousand shares in the number of treasury stock was due to the acquisition of 104 thousand shares of treasury stock by resolution of the Board of Directors on November 7, 2023 and the purchase of 0 thousand shares of fractional shares in response to purchase requests made by shareholders.

2. The decrease in the number of treasury stock was due to the disposal of treasury stock as remuneration for granting restricted shares.

(Notes to Securities)

In addition to "Government bonds," "Local government bonds," "Short-term corporate bonds," "stocks-assets," and "Other securities" on the non-consolidated balance sheet, the following tables include beneficial interests in loan receivables trust and others in "Monetary claims bought."

1. Shares of subsidiaries, subsidiary corporations, etc. and affiliated corporations, etc. (as of March 31, 2024)

(Millions of yen)

	Non-consolidated balance sheet amount
Shares of subsidiaries, subsidiary corporations, etc.	9,508
Shares of affiliated corporations, etc.	1,269
Total	10,777

(Note) Shares of subsidiaries, subsidiary corporations, etc. and affiliated corporations, etc. are shares with nor market prices.

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2. Available-for-sale securities (as of March 31, 2024)

(Millions of yen)

	Type of securities	Amount on non-consolidated balance sheet	Acquisition cost	Difference
Securities whose fair value exceeds the acquisition cost	Bonds	10,056	9,884	172
	Government bonds	4,597	4,482	114
	Local government bonds	960	902	57
	Short-term corporate bonds	4,499	4,499	0
	Corporate bonds	–	–	–
	Other securities	64,476	64,127	348
	Foreign bonds	58,532	58,196	336
	Other	5,943	5,930	12
	Subtotal	74,532	74,011	521
Securities whose fair value does not exceed the acquisition cost	Bonds	254,067	267,567	(13,499)
	Government bonds	176,290	186,041	(9,750)
	Local government bonds	14,859	15,134	(274)
	Short-term corporate bonds	8,999	8,999	(0)
	Corporate bonds	53,917	57,392	(3,474)
	Other securities	298,779	308,305	(9,526)
	Foreign bonds	237,435	245,669	(8,234)
	Other	61,344	62,636	(1,292)
	Subtotal	552,846	575,873	(23,026)
Total	627,379	649,884	(22,505)	

(Note) Non-consolidated balance sheet amount of shares with no market prices, etc. and investments in partnership

(Millions of yen)

Category	Amounts on non-consolidated balance sheet
Unlisted shares	0
Investments in partnership	100

Investments in partnership are not subject to fair value disclosure in accordance with Paragraph 24-16 of ASBJ Guidance No. 31 "Implementation Guidance on Accounting Standard for Fair Value Measurement" (June 17, 2021).

3. Available-for-sale securities sold during the fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

Type of securities	Amount sold	Gain on sale	Losses on sale
Bonds	66,092	468	–
Government bonds	66,092	468	–
Local government bonds	–	–	–
Short-term corporate bonds	–	–	–
Corporate bonds	–	–	–
Other securities	81,959	793	–
Foreign bonds	81,959	793	–
Other	–	–	–
Total	148,051	1,261	–

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(Notes to Money Held in Trust)

Money held in trust not for trading purposes or being held to maturity (as of March 31, 2024)

(Millions of yen)

	Amount on the non-consolidated balance sheet	Acquisition cost	Difference	Money held in trust whose fair value exceeds the acquisition cost	Money held in trust whose fair value does not exceed the acquisition cost
Money held in trust not for trading purposes or being held to maturity	13,148	13,148	—	—	—

(Notes) 1. As of the end of the fiscal year ended March 31, 2024, there were no securities with market prices, etc. included in the components of trust property.

2. "Money held in trust with respect to "Money held in trust whose fair value exceeds the acquisition cost" and "Money held in trust whose fair value does not exceed the acquisition cost" show the breakdown of "Difference" respectively.

(Notes to Tax Effect Accounting)

The breakdown of major factors leading to the occurrence of deferred tax assets and deferred tax liabilities are as follows:

Millions of yen

Deferred tax assets	
Valuation difference on available-for-sale securities	7,050
Deferred losses on hedges	989
Allowance for loan losses	604
Provision for point card certificates	361
Enterprise tax payable	307
Provision for bonuses	255
Cancellation of shares of subsidiaries and affiliates	247
Others	416
Subtotal deferred tax assets	10,232
Valuation allowance	(247)
Total deferred tax assets	9,985
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(159)
Deferred gains on hedges	(1,060)
Total deferred tax liabilities	(1,219)
Net amount of deferred tax assets	8,765

(Notes to Revenue Recognition)

Omitted since it is identical to the Consolidated Financial Statements.

(Notes to Per Share Data)

Net assets per share:	994.26 yen
Profit per share attributable to owners of parent:	157.74 yen